

Interview with Ambassador James R. Jones

The Association for Diplomatic Studies and Training Foreign Affairs Oral History Project

AMBASSADOR JAMES R. JONES

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Q: Today is the 10th of September, 2002. This is an interview with James R. Jones, Ambassador James R. Jones, and you go by Jim, is that right?

JONES: Right.

Q: Well, to begin with, let's kind of start at the beginning. Could you tell me when and where you were born and a little about your family?

JONES: Okay. Well, I was born and grew up in Muskogee, Oklahoma.

Q: Wasn't it Okee from Muskogee?

JONES: There was the song as a matter of fact. On May 5, 1939. My dad was for much of his life a rural mail carrier and a postal clerk. He was sort of the original Willie Loman in that he tried many things and didn't succeed as he hoped, but never quit trying.

*Q: You're referring to *The Death of a Salesman*.*

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JONES: Right, right, right. My mother was a telephone operator. She was the oldest of five children. Her parents, my grandparents, migrated from Wiesbaden, Germany, to Carlisle, Illinois, to St. Louis.

Q: Was this was on your mother's side, right?

JONES: On my mother's side. And my grandfather, maternal grandfather, migrated to Oklahoma shortly after it became a state in 1908, roughly, to open the first Dun and Bradstreet office in Oklahoma.

Q: What kind of business background did he...?

JONES: He was with Dun and Bradstreet his whole life.

Q: Did that come from anything from Germany or anything...?

JONES: Oh, I don't know that. My grandparents, my paternal grandfather, my father's father, was born in 1846 and fought in the Civil War with the Illinois regiment and he married when he was about 55 years old. And my dad was the oldest of those children and my dad was about 44 when I was born. So it was kind of unusual that your grandfather, as opposed to great or great-great grandfather fought in the Civil War.

Q: Actually, my grandfather was wounded at Gettysburg with the Wisconsin regiment; about the same thing.

JONES: So anyway that's where I was born. We struggled but never felt poor, but we certainly were struggling as a family. I had an older sister and an older brother. My dad wanted to have a larger house and so we lived in what was then the segregated parts of Muskogee. We lived in the black neighborhoods because we couldn't afford to get a bigger house.

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Q: There was a black population then at that time?

JONES: Yes, in Muskogee County the black population was almost 25%. Then there was some intermarriage because when the Indians, the civilized tribes, were removed from southeastern United States and moved to what was then called Indian Territory before Oklahoma became a state, they actually brought their slaves with them and they had black slaves. So there was some intermarriage among Indians and blacks at that time. Not a whole lot. Oklahoma was more South than it was North in terms of social patterns and there was de facto and de jure segregation of schools and neighborhoods and things like that. And we lived in the black neighborhoods so I grew up with a lot of black friends. It was kind of funny because my next door neighbor was Leon Hughes, a black family. Leon Jr. was my age and we played together and sort of instinctively from the time I was five or so I knew that I was going to get out and make something. I knew instinctively that Leon was doomed to being in the segregated part of town and that his horizons were limited. It's amazing how those instinctive impressions make a lasting impression on you. It's one of the reasons I've been so progressive, I guess it would be, on civil rights issues. It's not fair, by law, to hold a group of people back. So anyway that's sort of the background. I went to a Catholic school. Being a Catholic in Oklahoma was an unusual thing. I went to Catholic schools for the first through the eighth grades.

Q: Was your family Catholic? JONES: *My mother's Catholic. And my father was not. My father converted to Catholicism when he was, actually my freshman year in college, and he was about 63 years old at the time. So, when I was very small, my grandmother, paternal grandmother, lived with us, and my paternal grandfather did, too. He died before I was born...the one who fought in the Civil War. When I was very young, I would go with my mother to Catholic mass and go with my paternal grandmother and father to the Methodist church.*

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Q: As a kid, I mean, you were born at the tail end of the Depression. Was there much talk in the family about what happened? How did the family come out of the Depression?

JONES: Well my dad had started, tried to start a business, and we were still paying off those debts until about 1950, as I recall. So, yes he lost a lot of money in the Depression. Not a lot of money, but he lost whatever he had. And that's why he went to work for the Post Office, to have a steady income. And it's very interesting, neither my mother or father had a college degree. My mother had to leave school early because she was the oldest of the children and she had to help pay the expenses of the family. That was expected in those days. It was not expected that women would have a higher education in those days anyway. And my father went through high school and then went off to World War I. He tried to play baseball professionally, but didn't make that. So neither one of them had much education. And that was the interesting thing. My childhood in Oklahoma and seeing the changes in Oklahoma was very, very helpful to me when I was in Mexico as ambassador because Mexico was going through some of the same things Oklahoma went through as I grew up and those experiences were very vivid, especially the Depression experiences. My dad insisted that the three of us get a college education. And it wasn't the education, it was the degree. He called it the sheepskin, because that was the ticket to having a better life. So I mean I knew from the time even before I went to first grade that I was going to college. I didn't know exactly what college was. It was just drilled into you from your parents.

Q: For your parents, was Roosevelt sort of a god?

JONES: Absolutely, absolutely.

Q: Because I think a certain generation, particularly people who didn't have it made, Roosevelt was something...to conjure a picture of Roosevelt on the wall and all of that.

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JONES: It's interesting, my mother's family was apolitical. It was considered among some German immigrants not to get involved in politics and so they stayed away from it. She voted and all of that and was a Democrat but didn't get involved in it. My dad, his family, it's an interesting family, his father was a Republican and as far as I can tell in my family, the only other member...

Q: Was this the one on Bradstreet?

JONES: No, no, no. This was the Civil War guy. He was a staunch Republican and as far as I know the only other person in our family who ever ran for office. He ran for county commissioner in Kansas and lost. But he was a Republican and his wife, who was considerably younger, my grandmother, was a staunch Democrat. And they had four sons: two were Republicans and two were Democrats and my dad was the strong Democrat. But Roosevelt had major impact. He was god-like.

Q: You went to school in Muskogee?

JONES: I went to Catholic schools through the first eight years and then I went to the public schools. I wanted to play sports and I wanted to be involved in the debate team, and some of the things the Catholic schools didn't have and so I went to the public schools, West Junior High School and then Muskogee Central High School.

Q: Back to the Catholic school. Did you have the nuns with the rulers or...?

JONES: I did indeed. I went to Sacred Heart School, which was the Sisters of St. Joseph Carondelet for my first five years. My first and second grade teacher was named Sister Marie Loyola. In retrospect she was probably in her early to mid-twenties. When I was in first grade she seemed much older than that, however. She was absolutely a delight. She inspired all of us; it was the best way to start school that I can imagine. In the third and fourth grades I had Sister Anne Theresa who was one who took the back of your neck and pinched it and used the rulers on you and things like that. I'll tell you a great story about

Library of Congress

Sister Marie Loyola. She left after I finished the second grade and went on to her next assignment and I never heard from her again, until I went to the White House. I went to the White House out of law school and I may have been 26 or so by my second year at the White House. And the White House operator calls me and says, "Do you know a Sister Marie Loyola who's trying to reach you?" And I said, "Absolutely, put her on." So she gets on the phone. It turns out she had become a foreign missionary and she was somewhere in Peru, or, I forget, somewhere in South America. She called when she was back in the States. Apparently there was an AID (Agency for International Development) or equivalent foreign assistance grant that had been held up in our government and could I help unlock that? And I said, "Sister, just consider it done." I called over and got the thing released for that particular country and I thought that was. I never heard from her again. I was so pleased to be able to repay her for the great teaching that she did for me in the first and second grade.

Anyway, the sixth through eighth grades were at St. Joe's Prep where there were the Brothers of the Sacred Heart. They were very tough.

Q: What sort of courses, were you getting a good grounding in?

JONES: Oh, yes, it was phonics, and math and all that. It was very basic good, solid education. St. Joe's Prep was also a boarding school, so there were a lot of kids from Chicago, and some from South America, and from other places and these were usually kids who had some kind of trouble at home. So it was a tough school. I was not a boarding student. But I enjoyed that. Ninth grade was West High and then tenth through twelfth was Muskogee Central High School.

Q: How did you find, was Muskogee changing, you know, socially and all of that? Could you see the changes?

JONES: Muskogee is an interesting town. It's almost the same size it was when Oklahoma became a state. It was always the one that everybody expected would be the big city in

Library of Congress

the state. It was at the intersection of the major highways, north, south, east, west. It was at the intersection of the railroads. The Arkansas River went right by it. It had everything natural except it had community leadership that was very split and always fighting with each other. It's a great example of how a city can be held back by lack of leadership and vision among its community leaders. When I was growing up, bootlegging, alcohol prohibition was still in existence. Baptists and the fundamentalists religions made sure every ten years when there was a referendum that it was voted down. And the bootleggers were the big operators and they delivered to your home. The illegal whiskey business developed a great deal of corruption and crime. Muskogee was the halfway point between Kansas City and Dallas and it was on Highway 69 so it was sort of the check-off point among the criminal organizations of those two major cities; of course the bootlegging was very corrupting because in order to continue to operate, they had to buy off the police departments and the sheriffs departments and what have you.

Q: There was a question of that, I'm sure, in Mexico.

JONES: But that's what I'm saying. The experiences I had growing up in Muskogee were very helpful to me in dealing with some of the things Mexico was going through. When I was 11, the fellow who was the county attorney then, named Ed Edmundson, ran for Congress in our district. Ed had been someone my dad, as a rural mail carrier, had supported for country attorney. Anyway, we met Ed at some American Legion dinner and I went up to him and I said, "I know all the kids in Muskogee and I can deliver their votes." Which was a bit brazen for an 11-year-old kid, but he brought me on to his campaign staff. So I worked full-time that summer for his campaign. I did radio commercials for him, ran errands, kids, organized rallies and what have you. That became sort of my introduction to politics.

Q: What year would that have been?

JONES: 1952. I was 12 actually.

Library of Congress

Q: The age of 12. What were the issues? The issues he was running on.

JONES: They were the issues of the development of Oklahoma, trying to get economic development. He had run very successfully and had been operating very successfully on the issues of cleaning up corruption when he was country attorney and he was the White Knight, so to speak. A terrific guy, totally honest. Anyway, I worked for him in that campaign. The issues were not as important to me at that point as the people. I found politics to be quite exciting and interesting and competitive. So I got somewhat of an inside look at some of the problems in our county and in our state. But even more so, when I was in high school, I guess my sophomore year in high school. There had been a huge labor strike, against the established Muskogee Daily Phoenix. And so the unions started a rival daily newspaper called the Muskogee Morning News. This would have been 1954, or 1955, somewhere in there. I was a sophomore in high school and so I went down to apply for a job and lo and behold I was signed on as an assistant sports editor. Because the other newspaper really put the squeeze on advertising, the Muskogee Morning News was squeezed. They kept having to lay off people. Well I was the cheapest, I was the least expensive of the group and I ended up being sports editor and wire editor and so I was working after school and I was learning everything from laying out the paper - in those days you had hot type, or lead type - to making up the paper in the press room, to covering murders. I covered my first murder when I was I think fifteen. I got there before the sheriff did, with the victim having his face blown off. So it was a great experience for me.

Q: Oh, my gosh, yes.

JONES: And then the paper folded in 1956. That summer I had gone to Oklahoma Boys State, which is something the American Legion sponsors and it's a week of government training. When I got there and somebody I had debated against met me with printed cards saying that he was running for governor of Boys State. I thought, well I'll also run for governor of Boys State. I ended up winning the governor of Boys State and got some publicity with that. While I was at Boys State and after my election was announced, I

Library of Congress

received a telegram from John Chriswell, who was the city editor of the rival established newspaper, Muskogee Daily Phoenix, offering me a job there. So I came back and I was the only one from the Muskogee Morning News that the Phoenix hired.

Q: How old were you when you started with the Phoenix?

JONES: I had just turned 17. I actually started when I was 16 and then turned 17. The rest of high school, I worked at the Phoenix as a sports reporter. In the summertime I did courthouse reporting. It was a great experience because we had two scandals that year, in the summer of '56. And they both grew out of the elections. One of them was on election primary night, which was in July as I recall. So I had only been working at the paper for about a month or maybe a couple of months. We put the paper to bed with the primary election results. In those days, whoever won the Democratic primary would win in November because Republicans were hard to find where I lived. It's not that way now. In any event, we put the paper to bed, I had gone home and as soon as I got to bed, the phone rings. This is about one in the morning, and John Chriswell, the city editor said, "Are you dressed?" And I said, "No." He said, "Well, get dressed, we're going to Stilwell." The sheriff and the sheriff-elect had an argument in the courthouse on election night, shot and killed each other.

Q: Oh, my god. JONES: So he says, "I'll be by in ten minutes." I put my clothes on, my parents thought, "What are you doing?" So here we go off to Stilwell, and my job was to write the sidebar, do the color story about how it was affecting the town and the families and all, and John's job was to write the in-depth news part of the story. So that was the first thing. And then we get that done and then there is a protest in Wagoner County, which is just north of Muskogee. The state senator and the county attorney allegedly had rigged the elections and bought votes and what have you, which was a very common practice in Oklahoma in those days. So then I was assigned to that story of the Wagoner vote scandal. It was a great experience because working at the newspaper is a little bit like being in politics in that you have entry into every level of society but you're not owned by

Library of Congress

any level of society if you're good. So it was a great experience for me as a kid. I got more out of that than all of my education in high school.

Q: Did you find, because this often of what happens to young political officers in embassies or something. They get terribly fascinated by corruption, by reporting on it, and sometimes over focus on that, and the powers that be up above say, "Well ok, fine it's there, but let's look at something else." Did you ever feel the hand of sort of your more senior people saying don't touch that or stay away from that? JONES: *No, never really did. The only time I can recall was when there was a raid on the country club by an enterprising county attorney. The managing editor of the newspaper had been out there at the time and so...*

Q: This was liquor? JONES: *Yes, liquor and gambling. Slot machines and alcohol drinks, which were both illegal. There was some implied pressure to go easy on that, but being a kid I was able to ignore it.*

Q: How about in high school? Sounds like you had a very full plate outside of high school but what sort of subjects were you interested in? JONES: *Well I was always interested in history. I enjoyed Latin, but not for the language, but more from the historical point of view. Math was never anything...I was good at math, but when it got to geometry and things like that, I just did enough to get by, so to speak. I was learning more outside the classroom than inside. I loved sports. At one point I almost wore myself down because of my various activities. I delivered the newspaper for the Tulsa World. I would get up at 4:00. Deliver my newspapers. Do my homework. Go to school. After school I'd do the sports. I played baseball and finally gave it up and worked basically full time at the newspapers after school. But then I would go to the newspaper, put the paper to bed at midnight and go home. So I was about to wear myself out, so I was finally able to give up the morning paper route. Then I got a disc jockey show on the radio. So I was able to get a lot of different experiences from touching different elements of society.*

Library of Congress

Q: Well you certainly must have been known around Muskogee for all of these things.

“There goes that Jones kid again!” JONES: Yes, that's right. Muskogee was at that point a town of about 35,000 to 40,000. The newspaper was the dominant newspaper in the counties all around it. The Tulsa World was considered a big city newspaper. So it was fun to cover.

Q: Who were your senators at the time?

JONES: Robert S. Kerr and Mike Monroney.

Q: He was a very powerful figure.

JONES: Kerr was elected in 1948. And Monroney was elected in 1950. Ed Edmondson was elected in 1952. He was there for 20 years and left to run for the Senate and lost. Ed was very smart, but he was not a risk taker in terms of taking big political gambles. He was a very good politician. He had good instincts. He was totally honest. He just kept doing his job in Congress. He was elected after Carl Albert was elected in '46. Tom Steed in '48. John Jarman in '50. So he was in seniority behind this group of people. Ed Edmondson is somebody who would have been a very good Speaker of the House but the timing was off. His younger brother, Howard Edmondson, had moved to Tulsa and become County Attorney of Tulsa and then in 1958 he ran for Governor as a definite dark horse. Ed hired me to work for Howard on his campaign. So I made speeches all over the state. At one point they fired the press secretary and for a period of time in the summer I was the press secretary to the Governor nominee. This was after my freshman year in college. And Howard was the one who basically ran on a program of reform. He pledged to submit to the people a referendum to eliminate prohibition and to have legal liquor from package stores. So he was a controversial candidate but he won in what they called a “prairie fire” campaign. It was one of these classic right-time, right-place campaigns. And he won and he hired this crusading county attorney from Muskogee, Joe Cannon, as his safety administrator, head of the public security of the state. Joe Cannon actually shut down

Library of Congress

bootlegging before the referendum vote when he stationed highway patrol at all highways entering Oklahoma. They inspected all trucks and confiscated all liquor. They absolutely shut down any liquor coming into Oklahoma for like 3-4 weeks before the election. Howard Edmondson's campaign was you will either have absolutely no liquor in the state, full prohibition, or we're going to legalize it and regulate it. Overwhelmingly, they voted to get rid of prohibition. So it was a fun campaign.

Q: You went from high school to which college?

JONES: I went to the University of Oklahoma, undergraduate. This was also an example of how your horizons are limited by your teachers. I was ambitious and I used to dream about being a newspaperman or a television reporter and I would dream about how I could go from a media market the size of Kansas City to a market the size of Chicago to a market the size of New York. Anyway, my counselor in high school wanted all of us to go to Northeastern State College at Tahlequah, which was a state teachers college. I said, "Oh, no, no, no, I want to do something more than that." I said "I think I'll go to the University of Oklahoma," which was considered the biggie. He said, well, he didn't think that would work that you could be, I'll never forget, he said "You can be a big fish in a small pond or a small fish in a big pond and you'll be better off being a big fish in a small pond." So anyway I, against his advice, went on to the University of Oklahoma. When I say how teachers can make an impact, it never even occurred to me that I could apply to a Harvard, Yale, or a Princeton. But I didn't even know particularly what they were. I think a lot of kids in rural areas, although it may be different now than it was then, are very insulated.

Q: I've pretty well gotten through my interviewing, which I've done now for over 17 years...the GI bill, the guys out of World War II, all of the sudden, they came from rural Kansas and all of the sudden they're at Harvard because the GI bill and they heard about this and they didn't know any better. They said, "Well, that sounds interesting." It really changed the face of America.

Library of Congress

JONES: Yes, absolutely. But anyway, I went to the University of Oklahoma and I majored in journalism and government.

Q: Let's talk about the high school. During the high school time and your time did international affairs intrude upon you much at all?

JONES: Not really. We had a very good debate coach named J. W. Patterson. We won national awards, our debate team. Through debate, we were exposed to international topics. Preemptive war, which is coming back these days. A lot of international topics like that. But it was strictly in the context of debate. Because we had to read the weekly news magazines and stuff like that to remain on top of whatever our debate topic was that year.

Q: What about when you got to the University of Oklahoma. Where did it fit into you might say the political spectrum. Obviously it was under the control of the legislature and all of that. But, did it have a, you know like University of Wisconsin is kind of off to the left. Where did it fit?

JONES: I think Oklahoma has always been a moderate...it had been when I was growing up a moderate to conservative state. It's an interesting state. It became a state in 1907. Then in 1912 it gave a very strong vote to the socialist party. Then it became a very strong supporter of Roosevelt and so it was heavily Democratic. Then when Eisenhower came along, it started drifting to a strong Republican vote even though the people weren't registered Republican. It sort of became more and more conservative after that. I'm not really sure what all the elements were. One is the fundamentalist-religious activity there that made it much more conservative. But when I was at University of Oklahoma, you just considered yourself a Democrat whether you liked it or not because if you wanted to have a voice you were a Democrat. It was a one-party state. The University of Oklahoma, itself, was more conservative. Clearly more conservative than I was at that time, but it was not rabid right-wing. I'd been rushed by the fraternities, I guess because of my sort of weird background, I owned one necktie. I remember after I pledged the fraternity I chose, the

Library of Congress

first thing they did was to take the scissors and cut my tie in half because it was such bad taste. So the fraternity actually was a very good thing for me because it taught me things, sort of social graces, that I had no way of knowing before that.

Q: How did you find the journalism side?

JONES: Well I worked, in addition to the University, I was the Tulsa World bureau at Norman. I covered all the University of Oklahoma stuff for the Tulsa World. I worked the sports desk and covered different sporting events for the Daily Oklahoman out of Oklahoma City. I worked the sports desk about three to four nights a week. I'd drive over there and do that and come back. I had a radio, a little Eastern Oklahoma radio network, reporting on things from the state capital and Oklahoma university sports. And then I worked full time, not full time, but I worked for Harold Keith, who was the sports publicity director at the University of Oklahoma. So I was actually doing more things, real journalism outside of journalism school. As for the classes themselves, I thought I could help teach them, so to speak.

Q: You were getting your ticket punched.

JONES: Yes. I had a journalism scholarship also. It was not a big scholarship, but it was to study journalism. And that's why I did a double major, what they call political science now they called government then. So I did the double major.

Q: What was your impression of Oklahoma state government at the time?

JONES: An Oklahoma University government professor who was sort of the authority on state government became a mentor to me. I got very interested in Oklahoma state government and actually rewrote and wrote a new constitution for Oklahoma as a result of that experience. I felt the Oklahoma constitution and the legislature were terribly outdated, terribly provincial, terribly out of touch with the needs of the state. That's why I was so strongly supporting Howard Edmondson because he was trying to reform our government.

Library of Congress

Q: At that time were those Okies in California, the people that came from the Dust Bowl, did they have any influence? I'm thinking of sometimes people who leave have strong ties back home.

JONES: I had one of my very early childhood friends, Gerald Davis, who lived about half a block from us in the same segregated part of town and they were struggling and finally, maybe I was 9 or 10 years old, I think he was a year older, his family moved to Bakersfield to get work and all. And I actually never heard from Gerald again until I think was in Congress and he located me. It was a very interesting story because he had struggled himself, got into college, got his Ph.D. and was a professor at the University of Massachusetts. It was nice to see that success story.

Q: You graduated when?

JONES: From college? 1961.

Q: Did you get involved in the Kennedy-Nixon election? This is really, I mean I was wondering how much did it engage the student body at the University of Oklahoma?

JONES: Well, I got very involved partly because I enjoyed politics, but I suppose because I was Catholic and Kennedy was Catholic, I was really committed and Kennedy enthused me the way he did most young people of that generation. Howard Edmondson was governor and Howard was a strong Kennedy supporter. Senator Kerr was a strong Lyndon Johnson supporter. And I did not like Lyndon Johnson. I thought he was too cornpone. He was all the things I didn't like about our part of our country and I wanted more sophisticated leadership from Kennedy. So Edmondson asked if I would take over the presidency of the Oklahoma Young Democrats. And I said I hate the Young Democrats. It was an organization where all they do is fight among themselves and they don't accomplish anything. He said just do it for the campaign, I'll trot you around the state and show that a Catholic, an Oklahoma Catholic was not beholden to Rome and you can

Library of Congress

make speeches for Kennedy. So I did that. I was very strong for Kennedy. He lost the state huge.

Q: I was just wondering, how about the University? Had he energized...there are certain places I talk to people who were in college at that time, and particularly Kennedy really energized a lot of people.

JONES: Yes, he did the young people. Oklahoma, as I said, University of Oklahoma was still considerably more Republican. I couldn't believe it and I couldn't see how anybody our age in college could be enthused by Nixon.

Q: He was not Mr. Charisma. In Oklahoma, was the issue Catholic versus non- Catholic?

JONES: Absolutely. It was absolutely that. There was a very strong current of feeling that if Kennedy were elected, the Pope would be running the country. Very much so. Oklahoma is one of those states, actually the Ku Klux Klan was very active in the 1920s in Oklahoma and it was less against blacks than it was against Catholics.

Q: Yes, it's hard to go back to those days but it wasn't really that long ago. But Jim, did international affairs, while you were at the University, cross your radar at all?

JONES: Not that much. Other than in classes, I loved history and so I took Russian history and some of the international history courses, but the one thing that sort of focused our attention was the Berlin Wall that occurred, I guess, my senior year. Other than the feeling that there was the nuclear overhang, overhanging everything that we thought about or did, and the feeling that we could all be annihilated, the international stuff didn't do that much. I found it interesting, one of the job offers I got when I left college, was with the Wall Street Journal in their Latin America bureau.

Q: You graduated in '61. Did you know what you wanted to do?

Library of Congress

JONES: Well, I had this idea that I wanted to be the youngest governor elected in Oklahoma. So I had this targeted that when I was 31, which would be just the age that you would be eligible to be governor, I was going to run for governor and run on the platform of the constitutional convention and rewrite our constitution and modernize the state, etc. So I wanted to do something that would allow me to go into a political career. I loved journalism, but journalism was being at the event and recording the event. I wanted to be the one who was making the news and being reported about. And then, I guess at Easter break of my senior year, Congressman Edmondson was in Muskogee and asked to see me and said that his legislative assistant, a guy named Lacy Grimes, had emphysema. He had been with him for the nine years that Ed had been in Congress. He said he was going to have to, for medical reasons, leave and would I be interested in coming to Washington to work for him. I said, well, I'm also a commissioned lieutenant in the Army, ROTC, so I was going to do two years of active duty. He said, well, look, why don't you apply to a law school, such as Georgetown or whatever, and you can go to night law school, work for me during the day, postpone your military and then you can go into active service. So that's what I decided to do.

Q: So you went to Georgetown?

JONES: Went to Georgetown law school at night.

Q: From when to when?

JONES: '61 to '64. I was able to accelerate by taking courses in summer too so I could graduate in three years. Normally it's a four-year curriculum. (End of tape)

I worked for Congressman Edmondson. In those days, the congressional offices opened at nine in the morning, so I worked from nine till about 5:15 at the congressional office. Then I walked over to Georgetown, which was then at 6th and E street in an old building, and went to night school from 5:30-8:30 and did that for three years.

Library of Congress

Q: At that time, where did Edmondson, what was his concentration?

JONES: He was a “make sure your home base is taken care of.” He was very much a constituent-services person. He had two committees. One was Public Works and one was the Interior Committee. When I first arrived there in 1961, the big issue was a lead and zinc mining subsidy bill. Northeastern Oklahoma and southeastern Kansas had big deposits of lead and zinc and they had been going downhill losing to international competition. It was very difficult without a subsidy for them to continue. It was a big job issue for that district of Oklahoma. So Ed was sponsoring the lead and zinc subsidy bill in the House and that was the big issue when I first got there to get that through etc. He was also chairman of the Indian Affairs subcommittee. We have the Five Civilized Tribes headquartered, most of them headquartered, in our congressional district so that was a big issue always. The other issue there was the Cherokee Indians trying to get a claim through Congress for their mineral rights to the Arkansas River bed. That was a big issue. On Public Works, the big issue was to make the Arkansas River, from the Mississippi to the Colorado, to Colorado, a navigable river. So it can have barges go from Muskogee and Tulsa all the way from the Mississippi River to the Gulf. Those were the big things he did. He did not stray too much and get involved in foreign policy. He was basically a bread and butter, take care of your district.

Q: When it came to foreign policy votes, usually somebody will follow somebody else. Did he have sort of say “I’ll vote the way so-and-so votes” or something like that?

JONES: He voted basically the administration line. Kennedy-Johnson administration line on foreign policy issues. He didn't stray from that very much. He was actually a liberal-democrat; he was more a liberal as the state became more conservative. He was considerably more liberal than the state.

Q: Did Vietnam come across...was that an issue during the time that you were there?

Library of Congress

JONES: No, because '61-'64 it was still, it was the military assistance effort. Another interesting story, each of the military services in those days had a unit on Capitol Hill. I joined the reserve unit.

Q: Oh, yes, was there a reserve...?

JONES: This was what McNamara finally shutdown, but since I was commissioned second lieutenant in the Army I joined the Congressional Command and Operations Group, headed by General Strom Thurmond.

Q: Who was senator from South Carolina.

JONES: Yes. And Barry Goldwater headed the Air Force reserves on Capitol Hill and I'm trying to remember who was head of the Navy reserves. I was the lowest, there were only officers in these reserve units and I was the lowest ranking officer. Each year active duty was two weeks. We traveled somewhere overseas. My first year, I guess it had to be '62, we went to the Far East. We started out in Hawaii and then we went to Taiwan where we had to fly at just a few feet above the ocean because they were still flying below the radar in the Taiwan Straits between Taiwan and China. We went over to the island of Quemoy.

Q: Quemoy and Matsui were...

JONES: Right, they were the big issue of 1960.Q: During the Kennedy-Nixon debates.

JONES: Right, 1960 campaign.

Q: A subject of great interest.

JONES: Because they had been such a political topic, that was one of the stops our congressional reserve unit wanted to visit. So we flew from Taipei over to Quemoy and Matsui, I think, and inspected things there. We went to Hong Kong. We went to, I think we went to Thailand, and we went to Korea and came back. So that was the first time I

Library of Congress

really had been out of the country. And we went to Okinawa also. At Okinawa, they would bring people at the base who were from your congressional districts and they would pair them up with you at lunch for example. I remember there was a guy from Tahlequah, Oklahoma, named Major Fox. He had been one of the Vietnam advisors. I was asking what he did. He talked about what they were doing, advising the Vietnamese units in those days, the different firefights that he had had. How many had been killed of the people that he had been working with, of the units he had been working with, and how many had been wounded, etc. And he said, "Now tell me what you do." I said, "Well, I'm a congressional assistant. I'm helping Congressman Edmondson doing this, this, and this." And I'll never forget he said, "I just don't think I could be in politics. Not enough security." Here's a guy who had been shot at like crazy, and he thought politics was too insecure. So it's all a matter of perspective.

Q: By the way, what was the sort of the national perception of politicians? It's been going down for sometime now.

JONES: In general, I think politicians were highly respected. Kennedy, Eisenhower, during that period, there was a good view of politicians. And Kennedy, a good view. And Johnson, coming in it was a good view. And in Oklahoma, politics was the summer sport. Television was there, but politics was still summer entertainment. People turned out for rallies, barbecues, hot dog deals, and stuff like that. Politics was, I think, very respected. There was not the cynicism that has developed.

Q: What about, during this time, you were there when Kennedy was assassinated. How did that go?

JONES: Well, I was there. When I worked for Ed Edmondson, in the 1962 campaign, he was the chairman of the Democratic National Committee (DNC) speakers bureau. So he sent me over to the DNC to be the staff director of this whole thing. I handled all the requests for speakers around the country, from all the congressional districts. We would

Library of Congress

match speakers and do all the logistics to make sure the right people got the right place. In October of '62, I was told we're gonna hold back on speakers, we can't send out speakers. I then ultimately learned, in a matter of a few days, the missile crisis in Cuba. That was an interesting thing because I was able to see a little bit of it, not the inside of Cuba, but a little bit of that from a political point of view. Then on the Kennedy assassination, ironically, it was Friday and I was talking to the head of one of the federal agencies, EDA, Economic Development Administration in Dallas, at the time. And he said, in the middle of our conversation, he said, "Somebody told me the president was shot." And I said, "What?" And he said, "Yes, they've got a television on here. Something has gone on here." And he was in Dallas.

Q: While you were working for Congressman Edmondson, did civil rights come up?

JONES: Oh, yes, they had the march on Washington.

Q: What was your impression of the reaction to this?

JONES: Well, my boss, Ed Edmondson voted for the civil rights law and he was for promoting civil rights advances. I was instinctively for it, going back to the Leon Hughes example. I do remember when Martin Luther King marched on Washington, how there was a great deal of uncertainty on Capitol Hill as to what it would be. Whether there would be riots or whatever and I remember stocking foodstuffs and medical supplies in the basement of the House office buildings.

Q: How about the relationship between the staff of a congressman and the staff of committees, because the committee staffs have become very powerful, almost like a fourth branch of government. How was it at that time and how did you relate to that?

JONES: In those days, on the Hill, the staffs were not dominated by a bunch of peacocks. We knew we were staff people, we knew we worked for the congressman or the senators or the committee and there was a sense of staff trying to help whoever your bosses were

Library of Congress

and to do it quietly and to do it anonymously, so to speak. That's not true today. There's a lot of individual power centers among the staff. I never had a problem with dealing with staff people on the committees. Partly I think that was because Ed Edmondson was so well-respected as a human being and partly because staff in those days knew we were staff. We were there to facilitate things.

Q: I'm interviewing Peter Goldberg tomorrow.

JONES: Oh, yes? Well, and that's also a change, this may be skipping ahead a little bit, when I worked for Lyndon Johnson at the White House. We did everything we could to stay out of the newspapers, stay out of the media, because he considered us staff and we were there to facilitate the work of the White House and not to have a separate media presence ourselves, and that's changed dramatically.

Q: Who was the speaker of the House while you were doing this? Was it...?

JONES: Well, I met Sam Rayburn when I first went there. He died shortly after I was there. So John McCormick became the Speaker. And John McCormick was the Speaker until Carl Albert in 1972.

Q: Yes, that's right. You were there for two years, is this it? Or three years?

JONES: Three years.

Q: So this would have been '64?

JONES: I graduated in July of '64.

Q: This is from law school?

Library of Congress

JONES: From law school. Tommy Boggs was my closest friend in law school. His father was Hale Boggs, Whip of the House at the time. Tommy introduced me to Vice-President Johnson. The Johnson's and the Boggs' were close family friends.

Q: Boggs was from Louisiana?

JONES: Yes. Through that I had done a little bit of what they call "advance work" for Vice-President Johnson and I did one advance when he became president, up to New York to the garment district. Dave Dubinsky was president of the International Garment Workers Union. I advanced that trip with Tommy. I got a call in the summer, maybe July of 1964, about the time I was graduating, finishing my coursework at Georgetown. It was from Tommy, saying, "Would you like to advance a trip for Mrs. Johnson?" And I said, "Sure." We had a meeting at the Executive Office Building. Because of the civil rights legislation, it was decided in the White House that President Johnson would not be the right one to campaign in the South. Therefore, the campaign in the South would be sort of led by Lady Bird Johnson, who was from Alabama, and southerners treat women courteously regardless of their political philosophies. So it was decided to put together an old-fashioned Harry Truman kind of whistle stop train trip...

Q: Whistle-stop.

JONES: From Washington to New Orleans with about 34 stops along the way over a four day period, I guess it was. And they had no advance people for this. So one vacuum after another developed and I ended up being in charge of it. So I had to pull the advance team together, assign them, and we worked a month trying to pull this off. It turned out to be a huge success. Lady Bird was pleased with it. She mentioned to her husband, as I understood, "There's a young man that you ought to get on your staff." And that's how I actually ended up at the White House.

Q: Well, tell me, had your impression of Johnson changed? Was there an evolution?

Library of Congress

JONES: It did. First of all, I saw him in the context, and not face-to-face, but in the context of really being committed to civil rights and pushing it through. And really being committed to the kinds of things that I thought were important, education and things like that, but particularly on the civil rights front. I thought that took a great deal of courage. He had both the courage and the effectiveness. So, yes, I did have a different view of Johnson.

Q: Ladybird Johnson was going to hit, what was it 31 or 34 stops?

JONES: I think it was 34.

Q: 34 stops. I mean, this must have been towns that you had never heard of before. How did you put together something like this? JONES: Well, first of all, the railroad limits you to certain towns you're going to go through. So the first thing that I did was figure out where the stops were and the logistics of when the train, if it had certain miles per hour, where it would reach at what point. Then you had to factor that in to what the news cycles were so that you got the maximum publicity on it. Where you would build up the biggest crowds and where you would let the crowds take care of themselves. So there was those kinds of things that you had to go through. And then I recruited everybody I knew, from the Hill, from whatever, to be an advance person. We had a training school, how do you become an advance person. I was teaching and learning as I went. We did that over in the EOB, the Executive Office Building. Then we dispatched them. I don't remember the exact time, but probably 10 days. They were in Rocky Mount, North Carolina, or wherever. Each night, I had a series of telephone calls to each one of the advance persons. Each night, there was a report as to where they were, who they got to turn out the crowds, what bands, what parents groups, the whole thing. Then we left Washington. The president sent us off from Alexandria. Then our first stop was Culpepper, Virginia, I think. Then we just kept going south and then across the Florida panhandle and over. We developed a group that was very innovative. I remember in Charleston, South Carolina we were going to get off the train and go into the city park and have a rally, a night rally. Opponents had organized a bunch of demonstrators against Mrs. Johnson and our advance man was very clever. It

Library of Congress

was a hot night. It must have been September, it was hot and sultry. He goes down and buys a lot of itching powder and goes through the crowd of demonstrators. Just as they're putting their signs up he goes through and just sprinkles itching powder. Of course, the more you itch, the more you scratch, the worse it gets. All the signs were down. Nobody knew we had a demonstration against us!

On another occasion, we were coming into Biloxi, Mississippi I think it was. We were on the train and I called the advance person, however far out we were, an hour or whatever, and asked about the crowds and all this sort of business. He said that Senator Eastland and Senator Stennis are there. You know, who's there and who's not. He said, "But I have to tell you, they have insisted on police barriers so that there are two sections. The first section were the whites and behind the barriers were the blacks." And I said, "Well, that can't be." He said, "Well, I told them that." I said, "Go back and tell them that we must salt and pepper the crowd." He calls back and says, "The senators say that if we do that, take the barriers down, they're leaving. It'll be a huge thing. What do you do?" So I said, "Here's what you're going to do. We'd arrive at 'x' time. Ten minutes before that, I want you to have all the people that you got there to take down the barriers and get the blacks to move forward and make sure that crowd is salt and peppered and we'll just see if the two senators leave." I thought, "Jesus, this is going to be a disaster." We did, they didn't, and it was a big success.

Q: Well, I would have thought you would run into things like getting a band. The band would have been all white, it would be a high school band probably or something.

JONES: Yes, the band was all white and there were all black bands.

Q: Yes, but I would have thought that, you know, there was so much massive resistance at the time that the powers that be within a town or something would just...the police...

JONES: There was a little of that but not really. Johnson was correct. They treat women with respect and so this was for Mrs. Johnson. The first thing you do in an advance

Library of Congress

operation is you get a band. For every band member, you get two parents and one or two siblings. You start the crowd right there.

Q: Well, how did you find Mrs. Johnson?

JONES: Wonderful, wonderful. She was a real trooper. You don't get too close to her. She's very warm and generous and genuine, but she keeps a little bit of a barrier to her private self. But she was a real trooper and never complained. I found her to be a wonderful human being.

Q: Well, I've talked to people who have been on trips with President Johnson and Mrs. Johnson and they've got all sorts of stories, not all happy ones about dealing with Lyndon Johnson, who was very demanding.

JONES: Perfectionist in every way.

Q: Yes, and not much fun. But Mrs. Johnson, she would come around and smooth the waters. She really was the catalyst that kept Johnson from being impossible.

JONES: Yes, I know, she was a wonderful human being.

Q: I'm looking at the time. This is a good place to stop. So we'll pick this up the next time when you were going into the White House and this is in 1960...

JONES: '65.

Q: '65. Great!

JONES: Okay, terrific.

Library of Congress

Q: Okay, today is the 30th of September, 2002. Jim, you went into the White House in 1965, but how long were you there?

JONES: Until he left office. From February '65 till January 20th at noon in 1969.

Q: Okay. When you went there what was your job?

JONES: I had done some advance for President Johnson when I was in law school. I essentially put together this train tour through the south for Mrs. Johnson. She had recommended me to the president. Kenny O'Donnell, who had been Appointments Secretary of President Kennedy, that's the job they currently call chief of staff, had held over after the assassination until after Johnson was elected in 1964. Marvin Watson, from Texas, who had been chairman of the Democratic Party of Texas and was a businessman and a longtime friend of Johnson's, supporter of Johnson's, was brought up to replace Kenny O'Donnell in January of 1965. So I was brought in in February of '65 to be deputy to Marvin Watson. The reason being Marvin Watson had a lot of political experience and knew Johnson but that he did not have any Washington experience. Since I had worked on the Hill for three years for a congressman, I had some Washington experience. So I was brought in to be his assistant.

Q: What were sort of the immediate issues that you caught yourself facing?

JONES: Well, I think that among the first...well, basically, in 1965 we started to have an increase in the military buildup in Vietnam. The day I came on board, the president was out of town and I think he was speaking at the University of Michigan, giving a speech. We had a lot of Vietnam meetings that spring, but the main thing in 1965-66, President Johnson had had this mandate to get elected and first and foremost it was to get a legislative program through Congress. President Johnson was the man always in a hurry. He always felt that his lifespan would be limited and he wanted to accomplish everything now. So we were sending up legislation to the Congress almost every day.

Library of Congress

I think I showed you that shadowbox that contained about ten of the pens that he used to sign historic legislation in 1965-66. It was an enormously productive congressional effort so much of that first part of '65 revolved around Congress: getting the programs set up, making sure that your congressional friends were attended to, setting up all kinds of briefing meetings, going to their districts, whatever it took. That was the primary focal point.

Q: Who was sort of sitting in the White House saying, "We really have to get Congressman so and so on board" and saying "Can we get the president to go to his district and give him a telephone call" or something? You must have been making those judgments all the time.

JONES: Yes, basically, the interesting thing was that Lyndon Johnson was his own chief of staff in many ways. He operated as president very much the way he did as senator in that he constantly had his eyes and ears out. He had two ticker tapes in the Oval Office: the United Press a-wire and the Associated Press a-wire. So he was constantly checking what the breaking news was. He had three television sets, one for each of the major networks, in his office. He was constantly on the phone calling obscure people as well as well-known people. He was constantly getting a feel, a pulse, of what was going on. He was directing "do this, do that". Beyond that, though, our office was the primary focal point for anticipating and arranging all those kinds of things. We'd prepare, for example, the President's night reading, which was sometimes from 1 to 3 feet tall. Anything from the government or from the White House staff that they wanted the President to see, the memos came through our office. We would either send them back, edit them, or put them in a way that used the President's time most efficiently and so we knew everything that was going; we saw whatever the President saw, basically. In terms of Congress, there was a congressional liaison office on the second floor of the West Wing, and that was headed up by Larry O'Brien, who stayed on after the Kennedy assassination. And then you had Mike Manatos heading up the Senate side. He used to work for a senator from Wyoming, I think. And then Henry Wilson, Henry Hall Wilson heading up the House side. Then they had a few people working under them. We did not have large staffs at the White House

Library of Congress

in those days. So the total congressional liaison might have been five or six people at most. Anyway, their job was to constantly stay in touch with the Hill and then to feedback information and things the President should see or hear. Since it would go through us first, we would often times say the President needs to do this, the President needs to do that, and we would put our own cover memo to summarize to the President what's going on and ask him to do something about it. In other parts of the White House, Harry McPherson headed the regulatory and legal counsel office. Bill Moyers and then Joe Califano headed up what we would now call domestic policy. McGeorge Bundy and later Walt Rostow headed up the National Security Council.

Q: Did John McCormick play much of a role? It was John McCormick, wasn't it?

JONES: He was the Speaker, yes. Speaker McCormick, obviously when he was alert, was the very good Boston politician. He was getting old in those days and I know that at some of the weekly congressional luncheons we had sometimes he appeared to fall asleep. So he did not get deeply involved in the details. That was more or less left to Carl Albert who was the Majority Leader. Carl Albert was very alert and he was the workhorse of the leadership team on the House side. But actually President Johnson spent more time with Senator Everett Dirksen than any of the leaders.

Q: Everett Dirksen?

JONES: Everett Dirksen was key to delivering votes and to making policy bipartisan. Dirksen was a very shrewd politician for virtually everything he agreed to that the President wanted, Dirksen also got something for it. Whether it was an expenditure in the state of Illinois or what.

Q: From your perspective, how did the whole civil rights movement go? Was this a constant battle?

Library of Congress

JONES: The 1964 Civil Rights Act was actually passed before I came to the White House. After I arrived, our major effort was the Voting Rights Act of '65. In that regard, it was first of all, it came from deep within Lyndon Johnson. He deeply believed in it. This belief occurred from a variety of experiences, but perhaps the most telling were his days as a school teacher in Cotulla, Texas, where he had mostly Mexican-American students. It made a lasting impression on his life; these kids and their opportunities or lack of opportunities. Secondly, he was a master politician. One of his problems was to keep the civil rights leaders, the Martin Luther Kings, some of the other civil rights leaders were a bit flamboyant and very controversial. It was to keep them focused so that they could a) press their cause as a just cause, but b) not be so belligerent that they turned off the great center of American political thinking and turned off the large portion of American public opinion. I think that was one of President Johnson's biggest tasks was to try to help mold the civil rights leadership in a way that they could be most effective in coalescing public opinion. The second thing was just the nuts and bolts of getting votes. He did whatever it took, in terms of whether it was an appeal to an individual congressman or senator's vanity or his sense of fair play or whether it was a raw political thing saying that votes were won or lost on this in his district or state. Lyndon Johnson knew the pressure points almost by the individual and he really applied the pressure to get that legislation passed.

Q: How about dealing with southern leadership? How did this go?

JONES: Well, he felt great affection for the southern leadership. First of all, Richard Russell was somewhat of a mentor and certainly a person who enabled Lyndon Johnson at an early age to leapfrog ahead and become Senate majority leader. So he had great respect for Richard Russell, great respect for his abilities and basically for his sense of fair play. So he dealt with him a lot. I don't think he had the same kind of respect for Eastland or Stennis of Mississippi, but recognized because of their positions that they had to be dealt with. I think at one level he knew that although the south was solidly Democratic, he knew once the voting rights and all the civil rights legislation came in, chances are that the

Library of Congress

Democrats would not be the power in the south anymore. So at one level he knew that he was doing the right thing, but it was going to hurt his political party and his friends in Congress who were from the south and Democrats. At another level, he was appealing to them in a way that was both political and from a sense of fairness.

Q: Was the House as much of a problem as the Senate?

JONES: They were both tough in getting the votes. The difference was that in the Senate you had the filibuster rule and that could essentially kill legislation by talking it to death, as opposed to voting against it. That's why you had to have a slightly different way of approaching it. In the House, it was a little more organized in terms of the political party pressure. One of the reasons he spent a lot of time with Everett Dirksen on this legislation is that Dirksen could deliver enough votes to stop the filibuster in the Senate. He appealed to Dirksen and the heritage of Illinois and the heritage of Lincoln and all of that sort of business to get that across.

Q: What about the war on poverty? Was this a difficult one or was this just a matter of coming up with a good plan?

JONES: Well, it was partly coming up with a good plan. Again, everybody is a product of their experiences and he saw anti-poverty efforts as an administrator of the Youth Conservation Corps in Texas. He saw good could be done and how people could be helped through government programs. He deeply believed, because he had seen a lot of poverty in Texas, that's why he deeply believed that the government with all the resources and the way that we were growing, could tackle these problems and really alleviate them. So he believed in it deeply. Then the question was, he talked to different staff people, I guess Califano was the major assimilator of the ideas and reaching out across the government to get ideas and put them together into legislative form. The President would come up with suggestions from time to time. He deeply believed that education was the ticket to success. You had to have free and open quality education everywhere. That was

Library of Congress

his first priority, both as a former teacher and a belief that that's the ticket out of poverty. He deeply believed that good healthcare was another ticket out of poverty. As we went along through this war on poverty, he got all kinds of ideas from every different source. A fellow who was on my staff had gone to New York and lived in Harlem for a week, or something like that, anonymously, and saw how, he was a young person from Iowa, and he saw the terrible conditions of urban poverty in the Bronx and Harlem. He came back with an idea of some sort of federal rat infestation program. All of these kinds of ideas came floating in and they ended up being sent to the Congress, many of them, to be put into law. I think at some point, I mean the President obviously liked seeing all of these ideas and liked passing all of this legislation, but at a point he got disillusioned by some of it, not as the bills were passing but as the programs were being implemented. I remember once when John Lindsey was mayor of New York City, basically putting a lot of pressure to get more money for programs and basically what the President perceived out of that was political. It was not helping the people, but this was John Lindsey's political machine to pay off the black preachers in the poor areas, etc., and that the programs were not getting to the people and ultimately the people who were then paying the bill, the taxpayers at large, were going to rebel against it. So he started developing a sort of skepticism that many of the programs could work. He never felt that way about the basic education programs, the basic health delivery programs, but some of the other jobs programs, and economic redevelopment programs he became disillusioned by the time he was leaving office.

Q: One of the things that I've noticed talking to people who have been in particular African countries where we have aid programs talk about how it is difficult to deliver because it takes a number of years to do your studies and by the time they get underway, the administration may change and there's a different focus or a new aid administrator comes out, and the first one was a water man and the next one's a tree man, something like that. Was this sort of thing happening within...? JONES: Well, I think the problem was that there was no set infrastructure to deliver all of these kinds of programs to the cities and what have you. The results were very spotty. In some cities you had the local officials come

Library of Congress

in and develop infrastructure and deliver it and be successful, but in most of them it was catch as catch can. As I said, you had poverty entrepreneurs coming out of the wall and misusing a lot of money and not getting it to the people. In the four years between the time I left the White House and went back to Washington as congressman, I surprised a number of my fellow Democrats who considered me a bit conservative by the time I got there just by asking the questions, "Is this program working?" If it's not working you get rid of it or change it drastically and what have you. The Democratic Party in the Congress in the '70s was- (end of tape)

It was gospel that you couldn't change any of these "Democratic" programs, even some going back to FDR's time, and Great Society programs, and to do so would just open the door to the arch conservatives who would decimate everything. But I think, and as I said, if Lyndon Johnson were still alive, this was four years later and he had died, he too would be questioning the programs. He never wanted a program just to spend money for the sake of spending money. He wanted it to be effective.

Q: How did, sort of Robert Kennedy, what was your relationship...did you see the relationship with Robert Kennedy?

JONES: I did not know the relationship when Johnson was vice-President but he told me some stories and he felt that a) Robert Kennedy was always undercutting him, and b) that Robert Kennedy was more politically than genuinely motivated. Some of the examples are in the field of civil rights. For example, according to Johnson, at one Cabinet meeting he suggested that President Kennedy, instead of trying to get it through the Congress, do it by Executive Order. Bobby Kennedy apparently jumped all over it and said that would be political suicide and put the response in political terms, which Johnson resented, and he also resented the fact that Bobby Kennedy was held out, and the Kennedys in general, held out to be liberal and progressive but the real liberal and progressive was Lyndon Johnson and he was being considered a southern sort of moss-back boob. So all those things contributed to that. Bobby Kennedy was not warm and fuzzy towards Johnson. I

Library of Congress

think that's fair to say. He finally had to admit, when basically Johnson's landslide in New York gave him the narrow, him Kennedy, the narrow victory over Kenneth Keating in the '64 Senate campaign. He finally, at least publicly, played ball, and indicated he would not run against Johnson and etc. But there was always the tension between them.

Q: Did you find that, was there a strong Republican, maybe it was Democrat too, conservative wing that you all had to deal with?

JONES: In the Democratic Party?

Q: And also the Republican Party.

JONES: Yes, the Democratic Party had basically its southern Democrats, which were conservatives. And the Republican Party was essentially an almost fully conservative party with the exceptions of the northeast and some of the upper Midwest where the Republicans were much more moderate, what they called the Rockefeller wing of the party and the Bob Taft wing of the party. The difference between then and now is most of the conservatism dealt with sort of market or business or government's role issues as opposed to what we call social issues today: religious interjection into public affairs and things like that.

Q: How did Johnson deal with you?

JONES: Marvin Watson said, "The President, until he gets to know you on his terms, just do your work and you don't necessarily need to be heard or seen." So yes, he knew I was around him a lot at ceremonies and larger meetings and what have you, furnishing particular information or giving notes or what have you. Then, I guess toward the end of the first year was when, since I was the only bachelor there, I started relieving Marvin Watson in two areas. One was at night and for the trips to the ranch especially, because Marvin had a family and children, Marvin started trying to leave at about 8 o'clock or so at night, and I would take over that desk until the President went to bed or whatever I was in

Library of Congress

charge so I got to know him in that capacity. Then, traveling to the ranch he usually took just me and his secretary, Marie Fehmer, and so long weekends or two weeks at the ranch during August or whatever, he got to know me and after those experiences then I started going with Marvin into the bedroom every morning. Our routine was that we would send over his night reading, usually that was the last thing at night, and one of the butlers would put it on the night table and he usually got up early in the morning, 5:30 or 6:00, and went through his papers. Then we went into the bedroom about 7:00 or 7:30 and went over all the things we had sent him, things that were coming up that day, things that he needed to think about for the days and months in the future. So he worked from the bedside giving out assignments until about 9:00 or so and then he would get dressed and come over to the West Wing around 10:00, sometimes 10:30, and start his public schedule. Then he would go back around 2:00, have lunch, get in his pajamas, take a nap, and come back to the office around 4:00 and start the second day.

Q: This must have been pretty trying for you.

JONES: After I got into, after about the first year, I got to the White House about 7:00 every morning and usually left about 11:00 or so at night. My dad, I don't know if I told you this, but my dad was a rural mail carrier and my mother was a telephone operator in Oklahoma. My dad was one of these proud papas. He and my mother came up to visit me and I had a one bedroom apartment over in southwest Washington. In those days it was Harbor Square and I lived in this tower. Harbor Square had another tower and Vice-President Hubert Humphrey had an apartment there. In any event, my parents came up to visit me and literally I didn't get to see much of them. It was one of those weeks where you're out early every morning. So I felt guilty about it. So I invited them to one of the Cabinet Room small ceremonies of some sort and introduced them to the President and the President just couldn't have been nicer and more gracious and bragging about me and all that sort of business. They went back to Muskogee, Oklahoma and some months later I ran into somebody from my hometown who said, "You know your dad is really proud of you. He said he came up to Washington and he told us, 'you know, my boy, he's up every

Library of Congress

morning and out of the apartment by around 6:30 or so and he's at the White House and he doesn't get home till almost midnight. You know the President stays right there and works with him." That's a parent's perspective!

Q: Wonderful. Did you ever see Johnson at the ranch or in his office give the full "Johnson treatment?" Both ways, you know, just embracing someone or particularly mad as hell?

JONES: Oh, many times. Both. Many, many times both ways. I even had it on me many times both ways.

Q: I told it was almost like an elemental force.

JONES: Well first of all, he was so big. He was about six foot four. He tried to stay around 230 pounds. He would fluctuate up and down, but mostly around 230. He would just lean into you and whether he was speaking very softly or he was bellowing, it was a force. It was amazing to watch him just enter a room; it was overpowering.

Q: How did he deal with Senator Humphrey? What was your impression?

JONES: He liked Hubert Humphrey but he did not fully respect his political steadfastness. He felt you had to have certain killer instincts and he didn't think Hubert Humphrey had that. He felt Hubert Humphrey let people run over him and there had to be a certain amount of fear, that they're afraid of you a little bit, and I don't think he thought Hubert Humphrey had that. He also thought Hubert Humphrey lacked judgement and in talking too much. But other than that, he liked him personally, thought he was smart, thought he generated terrific ideas. If it were in terms of respect for getting things done, if it were Hubert Humphrey versus Everett Dirksen, Dirksen would have won out in Johnson's mind.

Q: Did Johnson keep some of his Senate connections pretty well open?

JONES: Well, it's amazing, he didn't, other than for official ceremonies, he didn't go back to the Hill just to collaborate with the boys. As I understand Harry Truman did, for example.

Library of Congress

But Johnson had an amazing sixth sense about the Senate and what they were doing. For example, when Chief Justice Earl Warren gave his letter of resignation (in case Nixon were to be elected he didn't want Nixon appointing his successor so he retired early) Johnson nominated Abe Fortas as chief justice and Homer Thornberry to take the open seat. This would be late '67, early '68, I forget. We organized a task force, I would meet with them everyday, and we each had our assignments to make sure these nominations were approved. Bob Griffin, the senator, sort of minority leader of the Senate, organized a filibuster against this, against both of them. Johnson kept pressuring us and pressuring us. We had Califano and Clifford Alexander and Harry McPherson, we had all the stars of the White House, and myself...we had about six of us in this task force. Our job was to make sure we got this through the Senate and we would meet with the President from time to time and he wanted reports in addition to the reports that I was giving. I remember that we thought there still might be a chance. He said, "Boys, the game's over." He instinctively knew when the tide had turned in the Senate and he hadn't been up there. He knew when the tide had turned and sure enough he was right. So while he maintained conversations and what have you, he didn't have time to do it the way he used to.

Q: Turning to the Vietnam War, did you get involved or see what was happening? Was this sort of a cancer that was gnawing away? How did you view it?

JONES: Well, I sat in on most of the meetings until I just couldn't do it anymore because of other duties. I was the note taker at all of the meetings. Then Tom Johnson followed me to do that. Everything that went to the President went through me those last three years or so. So I kept up that way. I was not called upon to give advice other than a few times. I kept with it quite well. It also gave me a healthy skepticism about our intelligence gathering apparatus and capability because I used to say when I left office, left the White House, that if Bobby Kennedy or Gene McCarthy had been President, if they believed what the best and the brightest of our intelligence gathering apparatus provided everyday, the decisions they made on Vietnam would not have been a dime's worth of difference between the decisions that Lyndon Johnson had made. So the question is how could that

Library of Congress

information, by the time it gets to the President, be so erroneous, on which they made those decisions, to which I never got an answer, quite honestly, where the system broke down. But anyway, I saw the same information. In '68 we had several peace feelers and I think, the primary reason Johnson did not run was that he wanted to have his hands totally free to make whatever decision at whatever time necessary to get peace, a peace settlement on Vietnam before he left office. So there was a lot of flurry beginning with his speech not to run for office on March 31 and carrying throughout that year. In the summer of that year, I was approached...there's a pollster named Louis Harris, who was approached and who approached me, and so we had a three-way contract between the number two Soviet person at the UN (United Nations) who was a KGB person and Lou Harris and myself. So I was involved in a number of message taking and giving with one of those peace feelers trying to get a settlement before we left office.

Q: How did you see, from your perspective, the relationship with Dean Rusk?

JONES: Well, President Johnson, first of all, really respected Dean Rusk as a human being, as an intellect, as a very loyal person. I know there were times that Johnson would call Dean Rusk before one of our Vietnam or national security meetings and say, "I want you to take 'x' position on this issue that we're going to be discussing tomorrow because everybody else is going to take 'y' position, basically, and I want you to argue the other way." Rusk did it, without leaking to the press or anything like that and Johnson really appreciated that. That's one measure of how he thought of Dean Rusk. I, obviously, dealt a lot with Dean Rusk. He was a very curt person of very few words. I remember, here I am 26 or 27 years old at the time, and I remember saying to him, "Why isn't it part of our policy to have our own Vietcong and send them north?" I never got an answer.

Q: In those days, what sort of the role did the national security advisor play in this Vietnam thing? I mean it was McGeorge Bundy and Walt Rostow.

Library of Congress

JONES: Their job was to staff all pieces of paper that went to the President each day on these subjects and to anticipate things that would be needed and to direct either State or Defense or the CIA or whatever. Then when all this information came from the relevant departments to the NSC (National Security Council) they put, basically, a cover memo on that to condense it down. It was a staff role, as my case or anybody else on the staff who had close proximity and time with the President, you could put your own spin on it in a way that sort of interprets whatever that you're...

Q: You're giving three options, you know, and the one in the middle is the one that has to be taken.

JONES: You never did it that direct with Lyndon Johnson, you were much more obtuse, but you could get to the same place.

Q: Did you get any feel for Lyndon Johnson, since these interviews have a foreign policy thinking, did you get any feel for him and the State Department...some Presidents don't really cotton to the State Department and others work with it and all that. Did you get any feel there?

JONES: I think he had a healthy respect for many of the professionals at the State Department, but like most political people in the '60s he also felt that the State Department was out of touch politically on the domestic political scene. Ambassadors that he appointed, before they would go out to take their post, his final words were, "Remember you are the U.S. ambassador to 'x' country, not 'x' country's ambassador to us." Because he had the feeling that they could get captivated and captured by the country to which they were going and that their objectivity was weakened.

Q: How about his dealing with foreign leaders? Your sort of European major players and the such.

Library of Congress

JONES: Well, we always had trouble with France and DeGaulle. I think that's pretty obvious, there was nothing close there. He had a good relationship with Adenauer before he died and to a lesser extent with Ludwig Earhart. He had essentially a good relationship with Harold Wilson. While he was very pro-Israel, he felt it was almost like taking a beating before he would meet Levi Eshkol or some of the Israeli leaders because he knew they were just going to whipsaw him and then browbeat him and everything else until he gave them something. Kosygin, it was interesting, when we first met Kosygin, it was at the Glassborough, New Jersey...

Q: Was that then the Soviet prime minister...?

JONES: Right, Kosygin and Brezhnev. I think Kosygin was President and Brezhnev was prime minister or vice versa. It was hard to tell who was going to survive and conquer. But Kosygin came to the United Nations and that would have been 1967, in the spring, and we set up the meeting at Glassborough State College. Kosygin wanted to meet with Johnson and so we found Glassborough State Teachers College in New Jersey as a good place to go. So we met on a Friday and then we had to fly out to Los Angeles for a fundraiser Friday night. We spent Saturday at the LBJ ranch and then flew back Sunday morning for the second set of meetings with Kosygin. But Johnson was very good with them because he could always find a common ground. With Kosygin, they both came from farm country, they both were brought up in rural areas, they both did farm duties, those kind of things. They hit it off quite well. So it depended. We did very well with Mexican leaders. Johnson was very simpatico with Mexico. It was a question...he was very good with finding the human thing with leaders and where that didn't exist, where there was an aloofness like DeGaulle, for example, he didn't connect.

Q: Was there ever any talk about, that you heard about, we ought to do something about China? We're talking about communist China.

Library of Congress

JONES: In the China thing, in the days we were there, it was mostly the fear and the reason we were really in Vietnam, was the Domino Theory.

Q: Yes.

JONES: We had, whether the intelligence was right or not, we had a great deal of information that both China and the Soviet Union were at least acting in concert with regard to Indochina and Southeast Asia. After Vietnam there would be Cambodia, Thailand, etc., leading up to Indonesia, which was then the fifth largest country in the world. So that was a major concern. China was a major concern because it appeared to be the sort of fomenter of these communist revolutions and it had interest in dominating that part of the world. We didn't have any outreach in those days. In fact, the stuff we had on China were basically...I remember one time we had a confiscated training film from China, which we ran on Air Force One between somewhere and somewhere, and to see how their doctrine develops and all that. So it was more not even a consideration, as I recall, that we could actually have rapprochement with China.

Q: How did, from your observation, Johnson deal with sort of dissenting voices? There must have been people who were talking about whether we're doing the right thing in Vietnam and all of that.

JONES: Well, he sought out a lot of it. We had what he called the "wisemen." When he was so frustrated with the information that he was getting he got, I can't remember if Dean Acheson was there or not, but he had that caliber of people; these heroes from World War II and the post-World War II era. General Clay, of Berlin fame, and I can't think of the names now, but these were the pillars. Ironically, most of them came down about the same place that administration advisors came down. So there was not a whole lot of dissent. Clark Clifford is given a great deal of credit for being the dissenter. That came very late in the game, very late in the game. Clark was able to varnish his own image, sort of ex post facto. The one who did dissent early off was George Ball. Johnson had a

Library of Congress

respect for Ball for doing that. The problem was there was a predictability to it. So I think that after a while it became expected, but I've got to say that Ball was the dissenter, and Johnson didn't dislike him. Then there were other times that as I say with Dean Rusk and Johnson would call in advance and say, "I want you to take this position. Research it, argue it as vigorously, because I want to hear the other side." He would sort of sit there as the judge, you know?

Q: Was there any point with the demonstrations against Vietnam and all getting bigger and bigger that there was any feeling of the White House being under siege?

JONES: I think you can't help but feel that. Whether it's Watergate with Nixon or Vietnam or whatever, you do feel under siege. Along about '66, every public appearance was marred by some kind of a demonstration, some kind of a show, even though that was a minor part of the event, it was played up in the media as a equal status or greater. That used to bother Johnson. I remember Dean Rusk went to Indiana University and there were 14,000 students or so in the field house and Rusk gave a good speech. It was a very good speech. There were something like six demonstrators who were escorted out. On the nightly news the six demonstrators had more minutes than the speech and the 14,000 who cheered it on. That really bothered Johnson and that was one of his concerns. He had political dissent a lot, but he really saw that what they were trying to accomplish in Vietnam could not be accomplished if it was defeated at home. What he recognized along about 1966 was that his public appearances were actually undercutting what he was trying to do. So that was when we started having basically controlled appearances. We went to a lot of military bases. We went to the kinds of venues where you could actually control the situation.

Q: Well I'm told, I remember reading accounts saying how Johnson, when he's talking to a big group, didn't come across as well as when talked to a small group.

Library of Congress

JONES: Johnson understood human character on a one-on-one basis and could intuitively, instinctively know the weaknesses and the strengths of a human being or a small group of human beings. He was worse on television because there was no human contact. He was stiff and he was always trying to overcome his southwest roots and to be more like an Ivy Leaguer. He was intimidated by that. His next worst was the large audience because he couldn't get them by the lapels and grab their arms and what have you. His best was in a small group, no question about it, or one-one-one, because then he could connect, he could feel, there was that human relationship that came across very big. When I met my wife, she was a Harvard lawyer, and her Harvard friends were overwhelmingly against the war. The Johnson's gave us a few receptions and things like that and they attended a couple of receptions and it was amazing to me to see him in this small group win over these really bitterly opposed people, but he couldn't do it in a large group. Q: Were you noticing relations with the media with him, were they getting worse as time went on?

JONES: Well, yes. I had started out in high school as a newspaper reporter and editor and I used to tell President Johnson that he was always trying to sell them something. I told him to try not to sell them something, just talk to them as though you're talking to someone else. He was always selling something. Then when they would screw him on a story he got more and more unhappy with them. He had a few good friends in the media, William White, and a few like that, who he felt would write a fair and decent story. Then he used Drew Pearson a lot, because Drew Pearson liked gossip just as much as Johnson did, so they were able to plant and exchange gossip and stuff like that. But by and large he did not have a warm relationship with the press.

Q: Speaking of gossip, how did he deal with J. Edgar Hoover and the FBI?

JONES: Everyday part of the night reading were the memos from Hoover. A lot of the stuff the FBI sent over I wouldn't send in because I looked at it then as a young lawyer that this

Library of Congress

is not worthy of being presented to the grand jury, which is hardly no test of the evidence, the credibility.

Q: Was there a significant content of gossip?

JONES: Oh, yes. People who, without listing names, but some of the protestors, some of the civil rights protesters who were publicly portraying themselves as one thing, Hoover would send over pictures of them in hotel rooms and what have you being just the opposite of that.

Q: There have been lots of accounts of demolishing apartments and King and all...

JONES: Well that was a steady thing. And if Hoover was right, King did know how to party.

Q: You left the White House...in the first place, did the March decision not to run come, were you sort of prepared for it?

JONES: He first started talking about that to me in September of '67. It was at a weekend at the ranch. It was just John Connally, who was then governor of Texas, Lady Bird, myself, Marie Fehmer, and the President. We spent the whole weekend talking about whether he should or shouldn't run, etc. Then in December of '67, I was coordinating the State of the Union speech for January of '68 and he asked me to work with Horace Busby to get, only the two of us would know, to get a peroration in the speech announcing he was not going to run. Then he didn't do that in the State of the Union of January of '68 and I assumed, you know I was young, and I assumed he couldn't willingly give up power. I had forgotten about it and at that same time we had this write-in campaign that Marvin Watson was heading up from New Hampshire and we had already sent advance people to Wisconsin for the second primary. So the campaign, although unofficial, was moving in a very strong fashion and I just assumed that's what we're gonna do. Then on March 29, which was a Friday, we had a little Rose Garden press briefing Friday afternoon to tell the press that the President said that he was going to address the nation on Sunday evening.

Library of Congress

It was going to be primarily on Vietnam, etc. Then that night he asked Marvin Watson, who was a teetotaler, he asked Marvin and George Christian, who was the press secretary, and myself to come in for a drink and we spent about two hours in the small office off of the Oval Office to comment on whether he should or shouldn't say he was thinking about announcing he wasn't going to run. He had a resource that Truman announced he wasn't going to run on a March 30 and he figured March 31 was about the last time he could do it. He wanted to know what we thought. We argued for two hours, two of us that he should run, had to run at that point, and one said that, no, he shouldn't run. That whole weekend only three or four of us knew and we couldn't put it on the teleprompter until he absolutely said that's what he was going to do, which was three minutes before the broadcast.

Q: It is a major political decision when you announce, because once you do, all the sudden you've lost power.

JONES: That was his big fear and that's probably one of the reasons in '68, in my judgement, why he did not announce at the State of the Union. He was sending up more legislation and he felt that if he, once he announced, he was a lame duck for sure, and there was nothing he could get through Congress after that. Interesting part was that after March 31, we got a lot of legislation through the Congress and he didn't really lose, he didn't become a lame duck until the August convention when Hubert Humphrey was nominated. That was sort of the turning point as to when the lame duck sets in on a sitting President. But that was, in my judgement, the major reason as to why he didn't announce in the State of the Union. He said that he only had one piece of paper which I furnished him with the remarks on it and he forgot it on his dressing table before he went to the Hill. But I think the real reason was he was afraid he was going to be a lame duck for the whole year.

Q: Did you get any feel about the President's relationship with George McGovern?

Library of Congress

JONES: Well George McGovern was not a factor much in 1968. He became a factor obviously after Kennedy was assassinated and then became the factor in '72. We didn't talk much about him in '68. In '72, when I was winning my first race for Congress, I visited the ranch, the LBJ ranch, and visited with the President to pick his brain. He was giving me a little campaign contribution and stuff like that. George McGovern had been to the ranch to see the President just two weeks before that. He said, "You know, he's a nice person." He said, "What people don't know is that he was a war hero. Everybody thinks he's just a namby pamby and he's afraid to talk about his heroism in the war." Q: Of course it's in his book, *The Wild Blue Yonder*, which talks about him being a B-24 pilot.

JONES: Apparently that wasn't written at that time.

Q: No, no, no, it was just written very recently. How about the '68 convention? Were you around him when the '68 convention...?

JONES: We were at the ranch, yes. I was his Charlie McCarthy. We were on the phone many times a day. He would not be personally on the phone, but many times a day from the ranch to Chicago he had talked to Hale Boggs, Carl Albert, John Criswell, the convention chairman. The big issue was the Vietnam plank, which he did not want a peace plank in there because it was undercutting what he was trying to accomplish. That was one big issue. The second issue was on who was chosen as vice-President. He nixed several of them who were chosen. Ed Muskie was chosen. Something that was never disclosed, a member of Muskie's family got involved in a young person's mistake and Johnson was afraid that would come out in the campaign. It never did and hasn't since. He talked to Humphrey about that, I talked to Humphrey about that. But as I say, I was the Charlie McCarthy, who passed along the thoughts of Johnson.

Q: We're talking about the team of Edgar Bergen and Charlie McCarthy. Charlie McCarthy being the dummy.

Library of Congress

JONES: So, yes, we had a lot of daily conversations at the Chicago convention. I think at one level, the President would have liked to have gone back there to sort of get one last hurrah, but he was very realistic. Even when Hale Boggs and Carl Albert and several of them were saying, "Please come we can handle things," he didn't think it was the right thing to do.

Q: Was he seeing, though, that the handling by Chicago Richard Daley really was creating a set of martyrs? I mean in other words...

JONES: Oh, yes. The planning for all of this had started early in the year, with the FBI particularly. They had infiltrated all of these anti-war groups and some of them, according to some of those intelligence-investigative reports, were being financed by overseas communists and what have you. We worked closely, not we, but the actual committee, worked closely with Mayor Daley and his people to have the troops trained and all of that sort of business. But once the action hit, the overreaction by the Chicago police was pretty evident. I think it was very disappointing.

Q: This is probably a good place to get ready to stop. You had left the White House after what, on January 20th at 11:58 or something...?

JONES: It was funny because the night before the inauguration on January 19th, the President invited a small group from the administration. The special assistants, which were six of us, from the White House. Just a handful of folks, maybe a total of 20 or 30 folks at most, were up in the family quarters for dinner. Then he gave a wonderful tour of his 30 years in public service basically in Washington. Nobody recorded it, which is unfortunate, because it was one of the most touching, revealing, I didn't even take notes, etc.

Anyway, Olivia and I had just been married two months and we were there, so we went back home to her apartment and the President called and said, "How many vacancies do we have throughout the government?" Appointing boards, and etc. And I said, "Well,

Library of Congress

we had a number.” He said, “I want you to get nominees for me and I will sign them in the morning and we'll send them up to Congress.” So I was up practically all night calling friends all over the country, “Would you like to be appointed to Pennsylvania Avenue Restoration Commission? Would you like to be...?” So anyway, the next morning, and then I called Bill, who was sort of the administrative, civil service office, administrative officer at the White House and he got all of these nominations signed. So, as normal the President-elect and the vice-President-elect come over to the White House at 10:00 or 11:00 in the morning, I forget what the time was, and Johnson kept Nixon waiting in the blue room or whatever and he was signing these appointments and I had a messenger ready to send them up to the Hill. Then we had the reception. We get in the car. In the car going to the Hill was Johnson and Nixon in the backseat. In the jumpseats were Everett Dirksen and myself. So driving all the way up to Pennsylvania Avenue was really quite a thing because the streets, of course, had been cleared out. The thing that struck me was that practically all the way up there, Nixon, all he wanted to talk about was losing Texas and how he didn't intend to lose Texas in '72. He was very interested in John Connally and the whole thing so...that was Nixon's thing. Then we went to the ceremony, and then we all went to Clark Clifford's house after the ceremony. Clark Clifford hosted a lunch for the Johnson crowd. Then we went to a field and put the President on a helicopter and off he went to Andrews and then to Texas.

Q: Did you get any feel for how Johnson felt about Nixon when he was coming in?

JONES: Well, I mean, best summed up, he's a son of a bitch, but he's the only son of a bitch we have as President, so we have to support him. He never trusted Nixon but he wanted him to succeed. Johnson had an enormous sense of the history of the presidency and the night before the inauguration I remember he admonished all of us who had been so helpful to him, in his words, to be helpful to Nixon. He said, “This plane, the United States, has only one pilot. When we go through rough weather, if everybody on the plane starts trying to take the controls and beating the pilot over the head and what have you,

Library of Congress

that plane is going to crash. That pilot, if you give him some support and encouragement, he's more likely to bring that plane down safely."

Q: So there were none of those dirty tricks that were alleged sometimes in the transitions?

JONES: No, as a matter of fact, that was the first really good transition. Johnson gave me the responsibility. He said, "I want you to organize the transition so that on January 20th at 12:01 Nixon and all of his people will be ready to take over and make the same decisions as if they'd been there before." We did that. Johnson absolutely insisted on it, throughout our government.

Q: Well, then, we'll pick this up the next time of what happened. How old were you when you left there?

JONES: 29...a 29-year old has-been.

Q: A 29-year old kid, you know, who has been at the pinnacle, been at the summit. What the hell do you do then? We'll pick it up then.

JONES: Okay, very good.

Q: Okay, today is the 26th of November, 2002. What did you do? We're talking about January 1969.

JONES: Well, I had always had a desire to run for political office, myself, even when I was a kid, certainly in high school. So my wife of two months and I packed up our car and drove to Oklahoma, bought a house in Tulsa. I grew up in Muskogee, which is a rural community. My wife had never been to the interior of the United States. She was born in New York City and grew up in southern California and went to school on the west coast and the east coast and practiced law in Washington. Oklahoma was somewhat alien to

Library of Congress

her. I thought that settling in my hometown of Muskogee might have been a little more culture shock for a newlywed couple than she might need. So we decided on Tulsa. My plan was to run for governor, be the youngest governor of the state of Oklahoma. So we settled there and I worked as a lawyer and had some clients, enough to keep food on the table, so to speak. I went around the state making speeches and meeting people. The governor was Dewey Bartlett, who had been elected in 1966 and this was the first time Oklahoma would allow a governor to be reelected for a second term. So he was going to be running for reelection in '70. A fellow, who was the district attorney in Tulsa, was running. A fellow, who was a big carpet manufacturer and was from Oklahoma City, was running. There was speculation that Senator Kerr's son would run, Bill Kerr, and perhaps another one or two from the legislature. It looked like I was moving ahead and then my wife became pregnant with our first child. She didn't really know anybody in Tulsa and I knew that in order to win I would have to be on the road the whole time. So I decided at the end of '69 that it was just not conducive to a good family life to do that. So I pulled out of the governor's race at the end of '69 and then I was asked to run for Congress against a fellow who had been in there for 20 some years: Palge Belcher. It was a very Republican district, I think there had been only one other Democrat since statehood who ever held the seat. I decided that I was going to run for Congress. I announced in the spring of '70 and ran. We had a "kiddie campaign," old folks and kids.

Q: When you say "kiddie campaign" do you mean high school and college students running out there?

JONES: Yes, high school, college, and grade school students. It is interesting that I enjoyed being with students. I was asked to make a lot of speeches in the schools and that sort of developed a following. We had very little money and we ran a good race and close race, but we lost it. I decided that I was going to make one more try at this and went back to practicing law and started a little business.

Q: What kind of business was it?

Library of Congress

JONES: It was actually in management services, management advisory services. How to develop employees, how to work some with the...I forget the name of it at that time, but this was a business group to provide jobs and training for the unemployable young people, the ones who were left out of the system. So we started training programs and things like that and got jobs for these people and then trained some of the management on management skills. And I did some auditing services for different companies who wanted to have their offices looked at and how they could improve their management, especially as it pertained to dealing with the governments, etc.

But I continued to build an organization and there was a guy named Al Lowenstein, who had been of the anti-war movement and he was a congressman from New York. He was the head of the McCarthy campaign against Johnson in '68. I met him at some function, around 1970, and we sort of liked each other, even though we had been on the opposite sides of the political fence, both Democrats, and I told him that I was running for Congress. He gave me advice. It was to get the kids involved. He said, "Voters, adult voters, will be very serious and vote their party lines when it comes to President, governor, etc. When it comes to congressmen, if their kids badger them enough, they may just throw that vote away." I renewed and expanded our efforts in the schools and we formed a James R. Jones marching band and precision drill team, which was sort of like the Stanford band. It was somewhat of a joke, but all these kids played their horns and of course their parents came to the parades and the rallies, so we had a built-in crowd by building the band. We ran in 1972 and it was a very tough year for Democrats, if you recall, and McGovern was leading the pack. Larry O'Brien was the national chairman at the time and so when it became obvious that McGovern was going to win the nomination, I knew it was going to be a very hard race.

Q: You mean he was going to win the nomination. JONES: The nomination. So I called Larry O'Brien and told him that everybody had tagged me as a Lyndon Johnson liberal. In that district, and in Oklahoma in general and in that district, you can be a child molester,

Library of Congress

a rapist, or various things, but you couldn't be a liberal and get elected. I sat down and thought what I am. I am a liberal on social issues and a conservative on economic issues. My friends and I and my wife batted back and forth and finally they wanted me to put on a brochure "conservative Democrat." And I had always associated "conservative Democrat" with "closed-minded Democrat" or "prejudiced Democrat," or things like that. So I wouldn't go just that, but I decided alright, we'll compromise, I was a fiscal conservative. So we put that on the brochure and that somewhat numbed the liberal brush they were painting on me. But a federal judge there, who had been appointed federal judge by Senator Kerr and always had wanted to be a federal judge but loved politiche used to call me up and we'd go driving around because a federal judge isn't supposed to be involved in politics and he wanted to know the latest political gossip and give his advice, etc. - anyway, Judge Barrow was a good friend of the publisher of the morning newspaper, the Tulsa World, which was also a very sort of right-wing paper. So Judge Barrow maneuvered some dinners, where Byron Boone, the publisher, and Barrow and myself and Olivia and our wives were there, and he kept working on this. Finally, we're getting up close to the Democratic convention and Boone, the publisher, says, "Well, there's no way you can walk away. Your party has just gone so liberal and McGovern is out of touch," and this and that and the other thing, "Even if you are a fiscal conservative, there's no way you can walk away from the Party." So I concocted that I would call Larry O'Brien and say, "Larry, I'm going to send you a telegram, objecting to certain planks in the platform and I'm going to publicize this big and so on and so on" and Larry said, "Do what it takes." Through Judge Barrow, we got Byron Boone to say that if I did this, they would put it on the front page of the paper. So I came out and I was blasting the Party platform, which was able to really blunt the charges that I was just a down-the-line liberal being pulled around by the McGovernites of the Party. During the campaign, I knew that "liberal" was what they were going to throw at me, and immediately after Labor Day, when everything started getting hot and heavy, my opponent did a TV commercial in front of one of the defense contractors, the McDonnell Douglas plant, with this commercial saying, "Jones, like McGovern is for this. Jones, like McGovern is for that. Jones, like McGovern, is for such and such." We had a commercial, which we

Library of Congress

had already thought about doing, but the Republicans to throw the first blow. So we wrote it very quickly and cut it. My opponent's name was Hewgley, and the voice-over said, "If Hewgley tells you such and such, that's a lie," which was pretty strong language in politics in those days. "If Hewgley tells you thus and so, that's a lie," taking each one of the things he had said, "If Hewgley says such and such, that's a lie. In these days," and the kicker was the great one, "In these days, when trust in government is so important," or something like that, "can we afford to elect a man to Congress who is so 'liberal' with the truth?" Overnight, my opponent, the Republican, became the liberal, and I was the conservative, and we hammered and hammered and hammered on him.

At the end of the campaign, it looked like we were going to win, and President Johnson had called periodically and asked how the campaign was going. It was announced like a week before the election that, Nixon who had made very few campaign appearances that year as you'll recall, was going to make two appearances on the Friday before the election, one in New Mexico on behalf of Pete Domenici who was running for the Senate at that time, and one in Tulsa. Dewey Bartlett, who was running for the Senate then was the Republican Senate candidate, and Jim Hewgley the Republican House candidate. So I called President Johnson and I said, "You know the campaign has just been going great. I think we're gonna win this thing. But now they've announced that Nixon's coming in on Friday. Nixon is just cleaning up in the campaign. It's going to be very hard to overcome that. What's your advice?" He said, "Well, you know, Nixon's a son of a bitch as I said and he's the only son of a bitch that we have as President so we have to be respectful. I think you might take out some radio ads, welcoming the President of the United States to Tulsa, saying what an honor it is, that we recognize he's here for partisan political reasons, that it's always an honor to have the President of the United States here and we welcome him and all of that." I said, "That's a good idea, I think I'll do that." But I said, "What else can we do? Would you call John Connelly," who was then secretary of the treasury, and he said, "Well, John's just gone all the way on the other side so I don't know if he'll do anything or not, but let me see what I can do. Why don't you call Bob Haldeman," who had been one

Library of Congress

of the two, along with John Mitchell, the point persons for handling the transition in '69 when I was handling the transition. So I called Haldeman and called Dwight Chafin, also.

Q: Was the pointman...?

JONES: Yes, they split my job into two, with Haldeman taking the political appointments and all those kinds of things, strategy job, and Chafin taking the sort of mechanical part of running the appointments schedules, etc. So I called them and I said, "I understand you all are coming to Tulsa. We worked very hard to make that transition work well." "Oh yes, you did a great job, we really appreciated it. But you know politics..." I said, "Well, I do know politics. We're gonna win this race, and it would be a shame that after the relationship we had during the transition for me to come to Congress and just be one of your archenemies. I don't know what I'm asking, I just want you to know that this campaign is going well and we're gonna win. If you can understand that, we'd appreciate it." Well, on Friday Nixon came in. I was riding to Skiatook, I think, or Pawhuska, somewhere up north, and I listened on the radio. They had a big rally. Well, he barely mentioned my Republican opponent's name. He praised Dewey Bartlett, the Senate candidate, and I said, "We're gonna win this thing now." Anyway, we won. Nixon beat McGovern over 100,000 votes in my district, 81% to 19% - Bartlett, the Republican, beat my former boss Edmondson for the Senate - something a little over 60% to 40% - and I won 55% to 45%.

Q: Can you tell me a bit about, let's go back to 1969 when you were out, about the Democratic Party in Oklahoma. I'm talking about the state structure, how you felt about it, where it was, etc.

JONES: Bill Kerr, who was Senator Kerr's youngest son, and who became a very good friend, was the Party chairman. He was trying to modernize it and improve it and I think he was doing a good job. The problem was that organized labor was still the backbone of the Party. It provided some workers, it provided some money, but it didn't have the breadth of strength in the state and organized labor was becoming less and less respected in

Library of Congress

Oklahoma. Beyond that, it was the same as it had been from statehood. In other words, there were a bunch of little fiefdoms with county commissioners and sheriffs having their own little fiefdoms and their own little organizations and the trick was to try to put them all together and have a united front. The problem was that in the Eisenhower years, Oklahoma started turning, in terms of party affiliation and conservatism. Oklahoma has been a strange state. There were more Oklahomans in the Socialist Party, back at the beginning of statehood and roughly the 1910s, than any other state. Then it went to the Ku Klux Klan, then it went to overwhelmingly for Roosevelt and Democrat, which lasted until the '60s, and then it was moving Republican, and now it's a solidly Republican state.

Q: How did you find, upon election to Congress, did the Party in the state rally around you or were you on your own little fiefdom?

JONES: We built our own organization. We had to distance ourselves, obviously, from the McGovern campaign, when I first won in 1992.

Q: Did you come out, was there an issue during this campaign, or let's put it this way, when you were elected, did you have something that you wanted to do particularly or...?

JONES: Yes, basically, I had the belief that the federal government had become too much of an imperial-type organization, that it had gotten distant from the people, and that folks all over the country were losing confidence in it. It was a combination of things. The Vietnam War was one example. But basically, over and over again, there was a feeling that the bureaucracy was not responding to ordinary people's concerns. Over and over again, you would hear that it doesn't do any good to call my congressman because he says that there's nothing I can do about it. The central theme of my campaign was bringing government back to the people. To that point, a congressman was allowed to have one or two stationary district offices in his or her district. Usually it was in the post office. I think it was two offices, we had two offices in the district, we had an allowance for that. I said that what we were going to do was to have a mobile office and that we would take the

Library of Congress

federal government to every part of the district on a regular schedule, and you could come in on a first come first serve basis. We'll bring the government to you. You don't have to find the government. So that was one of the themes. The other one was what developed into the Budget Act, what developed into the War Powers Act, what developed into the sunshine laws: those were things that I felt very strongly about and that was basically the central theme of my campaign. What's ironic is even though the two national parties were not running any kind of message, so to speak, and all of the congressman were running their own thing, in so many districts around the country that same theme that government had become estranged from the people, a lot of congressmen were doing that. As a result, when we were elected, we took the first whack at the seniority system, we passed the War Powers Act, the Budget Act, and all those other things came to fruition my first term in Congress. Also, we did establish the first mobile office.

Q: They always talk about a class of Congress. You came in when Nixon was riding high. Watergate was the result of this election, but that hadn't penetrated that much. How did you see, was there a class feeling, I'm talking about Republican and Democrat as you came in, young people...?

JONES: The nearest thing on the class feeling was this issue about trying to open up government. Although there was a lot of resistance from some old timers, there was a feeling on the War Powers Act that Congress had to have more of a say in committing U.S. troops to foreign wars. So that was the War Powers Act and that gained a great deal of steam. There was a feeling on the budgets, so we were able to do that. So on those three things I think there was a general consensus within the classes, or at least it grew that way. What happened was that at the end of the first year, in '73, was when they had that Yom Kippur War and then the Arab oil embargo and then the economy started hurting, so that set the stage, and Watergate, set the stage for a big Democrat win in '74. All those things of opening up the government and reducing the powers of the executive

Library of Congress

and significantly cutting back the seniority system and things like that, that really took off then in '75. That was a result of the '74 elections.

Q: Who was the speaker of the house when you took over?

JONES: Carl Albert of Oklahoma.

Q: Was he...?

JONES: Carl Albert was a wonderful person, but he was not a bold person. He was a very cautious politician. On my first term, I wanted to get on the Ways and Means Committee as a freshmen, which was virtually unheard of at that point. I had talked to Wilber Millis, whom I had known well from my White House days, and he was not opposed to it. But Carl didn't want to push that. He thought that might show too much favoritism, etc. So I went on Armed Services Committee, which was also important to Oklahoma, and the Interior Committee, which was also important, but then got the commitments to go on Ways and Means my second term.

Q: Being on the Armed Services Committee, there almost seems to be the problem with the Defense Department, particularly military and all, has an awful lot of Ways and Means to seduce Congress people. How did you find this? I'm not talking about it in a bad way, but I think they're out to get money and they've got a lot of perks.

JONES: There was a very cozy relationship between the Committee and the military services at the Pentagon. I was the next to last in seniority. The last was Pat Schoeder and to my left, figuratively and otherwise, was Ron Dallups. So there was a little bit of hell raised at the lower end of the table, so to speak.

Q: Well these are very powerful people.

JONES: Yes, but they weren't at that time.

Library of Congress

Q: At that time, but I mean they...

JONES: But they were noisy. Again, we just asked questions. We sort of shocked. Eddie Hebert was the chairman of the Committee at that time. Sam Stratton was one of the subcommittee chairmen. Charlie Bennett of Florida was the chairman of the Navy subcommittee, and I was on that. It was just kind of unheard of to speak and ask pointed questions. Those of us who were elected in '72 did that. So they had to pay attention to us. The military really wasn't challenged that much because the upper end of the table still had all of the power.

Q: Was there a Democratic policy and a Republican policy or did you find yourself sort of going back and forth?

JONES: The Democrats, as they still are, are pretty well split between conservatives, moderates, and liberals. They each had their own sort of groups, like the Democratic Study Group, to do policy papers and stuff like that. There was not a cohesive, they tried to have a cohesive Party position. It really was not like it is today. There was less partisanship in those days. You had a lot more bipartisan coalitions develop more things and a lot more camaraderie between Democrats and Republicans. So it was often you would have, later on when I was leading some tax legislation revolts, I was looking for more than 50% of the Democrats to join with the Republicans. Those coalitions that had maybe 60% Democrats and 30-40% Republicans on the Democratic program was what you were looking for in getting a majority. Now, it's much more partisan.

Q: I have been interviewing a Democrat stalwart, Robert Strauss. He made the remark that I've heard before, saying Nixon on domestic things was really a lot more liberal than he's actually given credit for.

JONES: And he was. If you'll recall, he had a number of things, I'm trying to think of one of those social programs he had that was really quite a liberal program. I'm trying to

Library of Congress

remember what it was. It had to do with children and families, I don't recall right now, but he was a lot more liberal. When you look at it from the standpoint of foreign policy, he was more liberal, or progressive.

Q: Oh, yes, well, as a retired foreign service officer, Nixon stands out as being one of the top dogs, and really controlled foreign policy, you know. He was really effective.

JONES: I think he understood the power of relationships on a global basis and what you had to do to be successful there, which I think a lot of people today don't understand. I worry about as long as we're such a giant superpower that's so far ahead of everybody else, at least in military power, the arrogance in telling everybody else how to run their business around the world may be fine now, but the resentments that it builds up, if there's one chink in our armor, everybody will want to ping at us.

Q: This is a major problem. Now, did foreign affairs enter your sphere at all?

JONES: Well, it did in a couple of ways. One of them was the oil embargo itself. One of the committees that I was on was the Interior Committee, which had jurisdiction over the Alaska pipeline issue. We were deadlocked in the subcommittee. Mo Udall was our subcommittee chairman. We were deadlocked exactly even, like three and three I think it we couldn't break the logjam to get the legislation out. I knew that we were becoming more and more dependent on foreign oil and we had to have resources in the United States. So to break the logjam I suggested the subcommittee go to Alaska. Nobody had ever been there to see it. So we did do that. That broke the logjam. That had some foreign policy implications. Then, when the Yom Kippur War came along, Sam Stratton on the Armed Services Committee led a small delegation to the Middle East right after the war. We met with Golda Meir and her cabinet. Then we went over to Egypt and met with Anwar Sadat and his cabinet. Then we went to Greece just in time for the revolt against the colonels in the Constitution Square there. So that got me involved in foreign policy. Plus, we were still

Library of Congress

in the Vietnam War and the military aspect of that and the Armed Services Committee. That's always been something that's been of interest to me.

Q: How did you view, when you go to Congress, the Vietnam War?

JONES: I believed, as I think I've told you, the best and the brightest that our intelligence can produce, intelligence apparatus can produce, virtually had the same consensus when their reports came to the White House as to what the situation was and what the options were. After leaving the White House I could not understand, hearing other stories, how it could be that erroneous by the time it got to the President and I still haven't answered that question. So I questioned Vietnam, although I did believe that if we didn't draw the line...I believed basically in the Domino Theory, that is that all of the intelligence we had was that the Chinese communists, particularly, with the aiding and the abetting of the Soviets, really had their intent on knocking off these southeast Asian countries. With Indonesia, the fifth largest country in the world being next, and Thailand and Cambodia, etc. That would have had a major impact on the United States' position, both for materials we needed from there, but also in terms of the strength as the leader of the "free world." So I believed that there had to be a line drawn somewhere. Where I disagreed was in the way we were conducting the war, with everything was military and everything was the U.S. I remember asking Dean Rusk one night when we had a meeting in the cabinet room, while we were waiting, "Why don't we have our own Vietcong train them and send them north? Cause they're all Vietnamese, so surely we can train our Vietcong as well as North Vietnam can train their Vietcong." I never did get a satisfactory answer as to why we were not doing those kinds of things. The other thing that I felt was weird was that we didn't have anybody at higher levels who understood the Vietnamese culture. So were making mistakes just by not knowing culturally what was happening there. But beyond that I basically, and I didn't make it a big issue in any of my campaigns because again it was sort of the Johnson theory that you don't beat the pilot over the head when he's in some rough weather, you try to be cooperative to bring the plane down to a safe landing. But one of the things we had planned, we had developed a contingency plan in August of 1968 on how do you

Library of Congress

transition from where you are to a removal of your troops if you had a peaceful negotiated settlement. And I never could understand why the Nixon people didn't pick that up and continue in that vein, because what happened in '75, we could have done that in '68. So I started to question more when I got out of the White House. I didn't turn peacenik or anything like that.

Q: How did Watergate impact, I mean, did you have a role, I mean, how did you see this, because you had been in the White House and you knew how things operated and you watched...?

JONES: Well, during the campaign, Watergate hit in roughly June or so of '72 and it was in the papers, but it was not a major campaign issue and I didn't think much about it. In fact, I was so busy on my own campaign that I didn't follow it that closely. When I was elected, the high school band representing Oklahoma for the inaugural parade was from my district, Tulsa Edison High School. So I wanted to really show them and their parents and their teachers and all who were coming up a good time, so I called Haldeman and said that I would like to schedule a special White House tour for the band, etc., etc. He said, "Fine, we'll do that, why don't you come by. I'd like to visit with you." So I visited with Bob and Dwight Chapin and John Ehrlichman in what we used to call the "fish room" across the hall from the Oval Office after the band had already gone through its tour. At that time they (Haldeman, etc) were very intense talking about how the press was being unfair and with their victory how they were going to get them. They were very defiant about how unfair they were being treated and they were going to get their enemies. Again, I didn't think a whole lot about it and then the Watergate hearings started in the spring. What really got me was when Alex Butterfield said, when it was disclosed about the listening devices, the tapes, the secret tapes, he said, "This was the same thing that we inherited from the Johnson administration." They had a picture of my office, the closet in my office, "This is where Johnson had all of his apparatus." Well, we did have a recording system, but it was all manual, nothing was automatic, so you had to physically press a button if you wanted to record a phone call or a conversation and we kept all of these tapes. That's

Library of Congress

what you're hearing on NPR now. I actually destroyed all of my tapes because I didn't know what their use was going to be and practically everything I taped was Vietnam-related, because I was so young I wanted to be damn sure, particularly in '67 and '68 when I was a go-between on several peace initiatives, where all of the nuances were so important, so I recorded those. Johnson recorded mostly Vietnam stuff, but not all Vietnam stuff. But I knew that one of the things we took out was all of our devices before the Nixon administration came in. They were all removed, so I knew it was not the case that they just picked up what we already had there. So anyway, I started getting calls, "Was this the way you had it?" I'll never forget the Today Show called and wanted to interview me. Being a young congressman and all, this was national exposure, so I agreed to do it. They had to do it in New York. I told my wife, "I'm going to be on the Today Show. We'll take the train up." She said, "I don't think you ought to do that." I said, "Don't worry, because we're going to talk about the economy." Anyway, I don't remember who interviewed me now, but the whole thing was on the listening devices, etc., and at the end of the interview Olivia said, "Had a lot to say about the economy, didn't you?" Wives are usually right. But that drew me into it a little bit. Our campaign, they started really going after all of the Democrats, and our campaign had a campaign violation, which we had to admit to in terms of some money was given from 'x' federal judge to me and John Heinz, Jack Heinz, the Senator. This was from the "the employees of Gulf Oil Company." I think I got \$750. It was all cash. And Heinz got like \$1000 or \$2000.

Q: He was from Pennsylvania?

JONES: Yes. Anyway, they interviewed us. Of course, I said, "Yes, we got it from Judge Savage and we reported it." Well, it turns out it was reported as in the general contributions but nothing specific from Gulf Oil because Savage had told me that these were contributions from employees of the company, Gulf Oil Company, and so we just reported it in the general contributions thing. Jack Heinz denied he ever got it. So anyway, we ended up having to plead guilty to a misdemeanor of not filing so that was the only other Watergate thing that I was involved in until you got to the issue of impeachment.

Library of Congress

Of course, that was a very tough thing because in my district, Nixon was so popular. They thought it was such a partisan witch-hunt against him. I felt that I would have to vote for impeachment. Of course, he resigned before that happened. The next thing was Rockefeller as the vice-President; we had to vote on that.

Q: Were you feeling a sense of revenge, nastiness, on the part of Congress? Certainly it was palpable during the impeachment hearings.

JONES: I don't think there was any kind of a partisanship meanness during Watergate that there was in the Clinton stuff. First of all, Peter Rodino worked very hard to, both publicly and privately, keep this from being a witch-hunt and to keep it on a plane that history would justify.

Q: He was a Democrat representative from...

JONES: New Jersey. He was chairman of the Judiciary Committee. An unlikely person to develop the kind of stature that he did because he was sort of a, not a hack politician, but sort of a ward politician who rose to the occasion quite well. Then he had on his committee some really fine Democrats and Republicans who were thoughtful, who went about their business collecting the evidence, collecting what really happened, and not portraying a mean spirited thing. It was much more professional. You had people like Barbara Jordan, Bill Cohen on the Republican side. So you had some people who rose above sort of the partisanship and the meanness of the day. There were people who hated Nixon on our side, no question about it. They seemed to submerge that to the broader historical context of that, which I don't think really happened in the Clinton impeachment.

Q: Well, I mean, the issue, it was obviously not a issue blown up into something...

JONES: Right, and the interesting thing, it's hard for me because I was there, actually I just left Congress when the Iran-Contra stuff came out, but in many ways I felt Iran-Contra was constitutionally more devastating than Watergate in many ways. The interesting thing

Library of Congress

about what seemed to be happening - perhaps starting with Eisenhower, and then to Kennedy, particularly, and then to Johnson and in the Nixon period to a new height - of the sort of the above-the-law attitude in the White House.

Q: The term was "imperial presidency" at that point.

JONES: But it was amazing, when I was in the White House you did feel you were above the law. The thing that kept your feet on the ground was Lyndon Johnson, who was a very sound, down-to-earth politician who kept putting us all in our proper place, that we were not hot shots. When we left that White House, we'd be ordinary folks. I don't sense that Nixon exercised that same kind of discipline and leadership, that he was much more removed from that kind of thing.

Q: But he really didn't like people, I mean, in a way.

JONES: And Haldeman had no political experience and Chapin didn't and Mitchell didn't. So the people he really relied on had not gone through the throes of running for sheriff or hitting the barbecues on a regular basis and those kind of things which really tempers someone and makes them much more understanding of their role as a politician, their role in society, and not to get the big head about it. Just the sort of barriers that the White House created and the feeling that you were impenetrable, above-the-law, was growing and growing and growing.

Q: Did you, you know you say you talked to Haldeman after the inauguration and all of '73...

JONES: It was actually before the inauguration, but in January.

Q: Yes, but in January. Did you...you had been in the White House when the press had really been all over Lyndon Johnson. Did you sense a difference in the way Haldeman and

Library of Congress

company were looking at the press? I'm talking about revenge, really, as opposed to how you all...I mean, I realize you were a partisan, but was there a different attitude?

JONES: Oh, no question. First of all, when you are in the White House, you do get that bunker mentality when people go after you. That was very evident when I met with Haldeman and the group and Ehrlichman, etc. I never forget, he said, "We're gonna get them." I didn't understand what he was saying at the time, but they were putting the FBI and the IRS on some of these newspaper folks, media folks.

Johnson was... I think like all good politicians you love to get rumors and gossip and what have you and J. Edgar Hoover certainly furnished him enough of that. And he got it from friends and what have you. So you wanted to know who was sleeping with whom and all that sort of business. But there was never any instance when Johnson said, "I'm gonna get so and so." That just never came into our conversations. He would bitch and moan and scream and yell and cuss and all those kind of things, but it was never taken specific action to get revenge or whatever.

Q: When Nixon resigned, what was the feeling of your colleagues and all? This was the first time this had ever happened and all.

JONES: I think it was relief. Clearly, it was a very divisive time in the country. Clearly, we didn't know precisely what we were going to be unleashing there. When Agnew went, there was a concern that you didn't know where all of this would lead and what that was going to do to the strength of our national fabric, etc. So I think there was relief among members of Congress that we could move on. Gerry Ford, while he was a good partisan, no question about it, while he was leader, still was the kind of guy you could have a drink with, that you could joke with, that you could have a partisan battle and then be friends with.

Q: Quite different from Nixon, wasn't he? He was much more aloof.

Library of Congress

JONES: Nixon was a strange guy. I'm trying to remember if it was before I was sworn or after, but anyway, he had a reception at the White House for freshmen members of Congress who were elected. Olivia and I were invited; we were late. So we came into the East Room and Nixon was already speaking to the assembled. They were all standing up, and as we came in, all the permanent staff of the White House - the ushers and the waiters and all - were just backslapping me and welcoming me and the Secret Service and the number of them who said, "Boy are we glad to see you. These are a bunch of creeps." Apparently the Nixon folks were not well-liked, unlike the Johnson folks who were more homey, more friendly, more down-to-earth, so to speak. I think that's even a fair comparison without being too egotistical or too close to it. In any event, we came in there and then they had a receiving line. It got to me and Nixon sort of started stammering something, "Well you know I really went to Tulsa because it was politics and I knew you were going to win" and I thought to myself, Olivia and I talked about it, I said, "Here is the President of the United States, I'm a piss-ant freshman congressman with no power, and he's getting all flustered and uncomfortable over that. He must really have a feeling of insecurity that I didn't notice before."

Q: What about the Ford pardon of Nixon?

JONES: I was not as outraged. I happened to agree with what Ford did. I think it was good to put it behind him and get on with the other...there were a lot of people who really resented it. It cost Ford a lot of votes the next time around.

Q: My personal feeling is that thank god, because he would still be heading to trial, even though he is dead. The appeals would be going, you know, it would have just put us through agony that was not necessary.

As time moved on, you were in Congress from when to when?

JONES: January '73 to January '87.

Library of Congress

Q: During the Ford years, how did things go for you?

JONES: Not too badly. We were able to be successful on some things like the Alaska pipeline, like the War Powers Act and the Budget Act, from a policy point of view. From a district point of view, we were able to appropriate money to solve the flooding problem in the east Tulsa area, which had been plagued for years and years and that was one of the campaign pledges that I made, to try to get a resolution of that. I had a couple of tough campaigns in there. When our campaign had to admit to the campaign reporting violation, the afternoon paper, which was the Republican paper, went after me because everyone was trying to even up Nixon and Watergate. They were doing everything they could to make me out as bad as Watergate in my hometown, which was very hard for me to take because all of my life I had - I'm not trying to be a boy scout or be better than anybody I just thought that public trust, when you put yourself out there, you really have to be better than anyone else and you have to be truer than anyone else and all that, in particular for the kids. To have a newspaper headline question your integrity or what have you, even though I didn't know anything about how these things were reported, that was something we had volunteers doing, it was very hard to take. So from a person point of view, that election of '76 - Jim Inhofe ran against me and he's now a Senator and just calling me everything under the sun that was hard to take because I had never been in a position where my ethics or integrity had ever been questioned, before or since. But other than that, it went very well. It was kind of a down period, both nationally and for me personally for a couple years there.

Then Carter was elected in '76; I met Carter in '74 and liked him instantly. I helped him insofar as I could. I couldn't get too national in my district at that time. He got elected. The previous chiefs of staff were called in to Blair House to meet with him during the transition and to give him whatever advice and whatever. Everything I advised he didn't do. For example, I said basically that I thought that the country had changed. In other words, they had moved on. What were Democratic things and policies in the '60s when I was with

Library of Congress

Johnson, those Democrats we were trying to benefit had moved up the ladder in terms of incomes, for example, and that a steelworker making \$18,000 in 1968 and had certain tax consequences for that was now making \$30,000-plus and had different tax consequences. The Democrats looked at that \$30,000-plus as not middle class; they were sort of upper class or upper-middle, and didn't pay attention. I thought that we were losing the base of our Party. So I thought on tax policy the old concept that we had had of basic income redistribution for the tax code needed to be rethought. So that was one idea on the policy side. But mostly what I talked about were the symbols of office. I really thought that the Sequoyah, which was the Presidential boat, that they ought to use that. It was one of the most effective lobbying tools for the President to take a cruise down the Potomac with a handful of congressmen or senators. You get more done on that thing, so use that. It was nice to carry your bags and coat and your luggage when you're running for President, but now you're President and really can't do that. Just, you know, various symbols of office. None of which...he sold the Sequoyah, he continued to carry his clothes and stuff like that. But anyway, we were very good friends, still are.

Then in '77, he was going to come up with his tax bill. It was funny because he invited a group of us from the Ways and Means Committee to come down and meet with him. I remember AB Mikva, who was a dear friend of mine, he was much more liberal than I, but a wonderful human being, very smart. He and I and maybe about a half dozen of us from the Democratic side were invited down to meet with Carter and he came in late. It was so funny because it was typical Jimmy Carter and he said that he apologized for being late. He apologized for being a little bleary eyed. He said he was up all night reading the tax code. Not even tax lawyers read the tax code. Anyway, he outlined the tax bill that he was going to send to Congress, which was more income redistribution and giving the tax benefits to the lower end, who needed certain tax relief. But our steelworkers had moved on up, as I said. So we gave our opinions and then he sent up his tax proposal. I, along with Bill Steiger, led the revolt and we offered a substitute tax package called the Jones-Steiger Substitute. We were both on the low...the two tables of the Ways and

Library of Congress

Means Committee with the lower one, we were lower table people. It ended up passing. So the Jones-Steiger Substitute then was passed by the Senate and became the 1978 Tax Act. I also opposed him on his hospital cost containment approach and opposed him on one other, I forget what the other one was, but he would have had me down...it was a wonderful technique. If he did it with everybody, I don't know, but you go into the Oval Office and whether it was the treasury secretary or Stu Eisenstadt or whomever on his staff, and he would say, "Thank you very much, I'd like to visit with Congressman Jones alone." So he always did it one-on-one with me, which was, as I said, I don't know if he did it with others or whether it was because we had a special relationship, but it was a wonderful technique. The problem with it is, he was too easy to say no to. I never felt threatened like I would have with Lyndon Johnson, for example. Not knowing what the consequences were about opposing. So we remained good friends, but I ended up basically, sort of, not pariah, but certainly revolting from the Democratic doctrine that had happened up to that time. I had also taken the lead in some efforts to cut agencies. My theory was that all of the experimentation we did with the Great Society, those that were working, Head Start for example, keep them, that's great. Those that were not working, let's get rid of them. Johnson would have done the same thing, so if it's not working, don't just perpetuate it. At that point, the Democrat orthodoxy within the Party caucus in Congress was if you get rid of anything from the New Deal or Great Society, then they'll just pick it all apart. So anyway, that's how I was able to sort of break through, and I was considered on the conservative side of the Democratic Party. So I ran for the Budget Committee in '78 and was elected to that. Then in '80...

Q: You say you ran. Do you get elected?

JONES: Yes, by the Party caucus.

Q: By the party caucus, ok.

Library of Congress

JONES: Then in '80, I decided to run for chairman of the Budget Committee. Henry Bellmon had retired as Senator from Oklahoma, so there was an open seat and all the polls showed that I would win it and I looked at it and decided that I really enjoyed the House more than the Senate and sort of my goal was to see if I could win the Budget chairmanship and then after that see if I could run for Speaker. So I ran for Budget chairman right after the '80 election. Reagan had been elected. There were three of us: Paul Simon, who was later senator from Illinois, and David Obey, who was later chairman of the Appropriations Committee and still in Congress, and myself. So we had the first ballot. Dave Obey and I tied and Paul Simon was third, so he dropped off. In the second ballot, Obey and I tied. It went to a third ballot and I won 121 to 116. We got people out of the gym, out of the bathroom. So I won and became Budget chairman. David Stockman became the OMB director. Stockman and I and Gephardt actually led the opposition to Carter's hospital cost containment package, so Stockman and I had become friends. So during the transition, before Reagan was inaugurated, Stockman and I met sort of secretly many times to see if we couldn't come up with a really solid budget. What we had agreed upon was 85% of the cuts, the spending cuts that we had agreed upon, we agreed to take to the floor, basically the military increases and the education cuts were where we disagreed. Then on the tax bill, we disagreed on the Kemp-Roth 30% tax cut. I had a different approach and so we agreed to take that to the floor. Then all of the sudden the assassination attempt on Reagan and all of the sudden all of the barriers went up. There was no more collaboration with Stockman.

Q: *Why?*

JONES: I think that a decision was made in the White House that the Congress had gotten too strong in relation to the presidency and that with the assassination attempt, the Congress might take over. So Reagan had to put his stamp of authority and leadership on Washington. During that time, they cut off any kind of bipartisan communications and they went after, what they called the "boll weevils," the 35 most conservative southern

Library of Congress

Democrats. They went after them and I was one of those. There were huge television and advertising campaigns in their congressional districts. The Republicans came up with their own package. So it was a showdown vote. It was highly partisan. Every Republican towed the line. They had every one of the votes. Instead of having a bipartisan approach to this, it was highly partisan. Reagan won. He won the budget, he won the reconciliation vote, he won the tax vote. Boom, boom, boom. Clearly, he established himself in charge. The downside of that was that was the start of partisanship that has existed to this day, because Tip O'Neill, who by that time was Speaker, Tip was under a lot of pressure to start performing. The Democrats picked out a couple weaknesses, one of which were cuts in social security benefits that was part of the Republican budget package. So in '82, most of the country's Democrats ran against the Republicans on devastating social security and cutting social security and the sacred trust, etc. And we won in '82, picked up a lot of seats. Then the Republicans became very partisan because bipartisan people, like Barbara Conable, had just almost been beaten on the social security issue, and it just kept getting more and more partisan and continues to this day.

Q: On the Budget Committee, did you start...the Reagan administration was talking about the "trickle down theory." You know, you cut taxes at the top and that means people spend more money and it goes down. David Stockman was the OMB director and a great proponent of this publicly, but privately he wasn't. For a lot of people, it didn't make any sense to see the help dimension not picking up anybody else. How did you feel, I mean, what was going on?

JONES: My main concern with their approach was that it was going to create these huge deficits that would take a long time to pay off. It would saddle future generations with a huge debt problem. George Bush was the one who called it "Voodoo Economics," but that's what it amounted to. The Laffer Curve, remember that said the more you cut taxes the more revenue is going up, well that happens in certain things for a certain period of time. For example, in cutting capital gains taxes, you do unlock a lot of transactions that would not have occurred with the higher tax rates and for a period of time you get more

Library of Congress

revenues in with lower taxes than otherwise, but that doesn't correlate to income tax cuts of 30%. That, coupled with huge increases in military expenditures and very little decrease in other spending programs, meant budget deficits. The problem with it, up to that point, Democrats as a group were considered not to be fiscally responsible. You know the old tax and spend business. For us to switch to an argument of conservative economics and budget deficits and that sort of thing had a difficult time with the public at large. Reagan was out there saying that it all adds up. People wanted to believe and they were believing it. So that was my big problem with it. I didn't agree with the way the tax cut was skewed, but mostly I didn't agree with the cuts in education, as deep as they were, education and health, the rapid increases in military, as big as they were, and then the tax cuts that cut the revenue all at the same time just created huge deficits.

Q: What was your...let's go back just for a minute to Carter. What was your impression of how he ran things, and particularly how his staff...because you must have been monitoring the staff performance and how did you feel about his ability to get things done and lead?

JONES: I thought his staff did not have enough Washington experience, particularly at the beginning, and they didn't know how to respond to the different interest groups and institutions around Washington. They created an impression early on, at least in Congress, of amateur hour. I did not think the staff paid enough attention to detail. I can give you an example. I was chairman of the U.S.-Japan Trade Task Force of Ways and Means. At one point, the Japanese prime minister was over here on an official visit and there was a state dinner at the White House to which Olivia and I were invited. I was invited as chairman of this U.S.-Japan Trade Task Force. There was Leon Panetta there, and I thought, "What's Leon Panetta doing here? He's not on any relevant committees." Well, it turns out, they thought he was the Japanese-American, but it was Norm Minetta and it was Leon Panetta that was the Italian-American. Stuff like that they really didn't understand just the relationships in Washington and how to play on those relationships. They didn't understand how to really woo - as I said, they sold the Sequoia - the various pertinences of

Library of Congress

office that they could use to get votes, to persuade members of Congress. They didn't do that well. So I did not think that their staff structure was tight.

Q: You mention the U.S.-Japan Committee. I'm interested in this because I just came back from Tokyo where I met with some Japanese government officials. They commissioned a study on their oral history program and I'm looking at this. How did you find...did you get involved in looking at U.S.-Japanese trade negotiations?

JONES: What happened is after the '78 election, the U.S.-Japan trade deficit was \$12 billion and they thought that was just awful and we couldn't live under those terms. There was a lot of moves to really punish the Japanese and to pull back on open trade regimes and what have you. So I had gone to the chairman of the committee, Al Ullman, and said "I think this is a problem that we need to deal with." He appointed a task force with me as chairman of the task force. We got, between '79 and '80, very involved in that. Bill Frenzel was my ranking Republican. We traveled. We went to Japan several times. We met so many Japanese, I became a big, big player in Japan. I was in the news in Japan all the time because they played it up so big. We had recommended a number of things. There were two reports we issued: government reports, which in Japan were called the Jones Reports. In this country, they were government issued and very few people looked at them. In Japan, they went into about three printings. They printed them as a public book and they went into about three different printings. Everybody was poring over all of the recommendations, but among the things that happened out of that, for example, if you remember the "wise man group." These were sort of the wise men of public policy from the past who had been appointed by the prime minister and President Carter to help ease trade problems. One of the recommendations we had was to take the commercial officers out of the State Department and to form what now is the Foreign Commercial Service which is in the Commerce Department. Were you a commercial officer?

Q: No, I did a little bit at one point.

Library of Congress

JONES: Well, we looked at that and everywhere we went, the commercial officer was at the low end of the totem pole and it seemed like all they were doing was collecting some statistics and sending them back to Washington and nobody ever read them. They couldn't sell anything, so we decided to just give it a different mission and have it so this was a separate...sell U.S. goods and services basically. So we had a number of recommendations like that on both sides. It was very well received in Japan because it was the first time that a U.S. official that had presented a balanced view. The United States was derelict here, the Japanese were derelict there. This is what the Japanese might do, this is what the U.S. might do. So it was well received in Japan.

Q: Did you find yourself up against what was known as "Japan Incorporated?" In other words, this is a very tight industrial-governmental complex. The whole purpose was basically to be able to sell as much as you wanted abroad and to close the market internally.

JONES: Sure, and we ran into that. What I did is a little bit like what I did in Mexico. We really tried to find out how things really work in Japan, from a Japanese point of view. So when I dealt with them, the Japanese were clever because U.S. trade negotiators kept changing. They kept the same ones in Japan. We were always breaking in a new team. We really tried to understand what was going on so that when they pulled this stuff on us, we could basically say that's malarkey. I would have, for example, I would have a different one or two issues every time I went over there to try to break through. I remember one time it was the Motorola pagers. They had all kinds of reasons why the Motorola pagers couldn't be sold in Japan. The reasons were all bogus. And I had no Motorola in my district or anything like that. I just picked out the most obvious trade restriction situations and then tried to get breakthroughs.

Q: Where did you get your information?

Library of Congress

JONES: My staff would develop it. I remember that was one time. Another time was on cigarettes, because they had whatever the tobacco monopoly there was where they sent all of their ex-politicians. You could import tobacco, but you couldn't import finished tobacco products. Then, if you could import finished products, you couldn't put them in the vending machines. So I remember another one of those was to open vending machines to all foreign products as well as domestic, which I may regret today.

Q: Yes, I was going to ask if the tobacco caused any ethical problem.

JONES: Not at that time. In fact, it didn't cause any; it was just the other way around. It was a job provider in the United States. It was not the social pariah that it is now. There was a third one...I know we had some with the telephone monopoly and it had to do with some form of product. We never did break that one.

Q: Here you are from Congress and we have a trade negotiator. In a way, a congressman is not supposed to engage in foreign relations.

JONES: Right.

Q: What were you doing?

JONES: We were basically trying to, maybe we were doing what we were supposed to be doing.

Q: Yes, but I was just wondering how this...were you going sort of with the blessings of the executive office?

JONES: Yes, nobody particularly objected. I kept President Carter somewhat informed. In fact, when one of the prime ministers died and he went over for the memorial services, I think I was the only one from Congress that he invited over. It was a very small delegation.

Library of Congress

It had Zbigniew Brzezinski, myself, one or two others, and Carter; a very small group. That was in '79 or '80, I forget.

Q: How did the Japanese respond to your going over there and your group going over there? They took you quite seriously?

JONES: Oh, yes, they did. They took us very seriously because they didn't really understand fully our system. Maybe they still don't, I don't know. They took us very seriously. As I said, the only one we couldn't break through was what was then the telephone monopoly and I forget the name. What was it called then? NTT: Nippon Telephone and Telegraph. They took us very seriously, I mean, from the prime minister and down through. We met with them all of the time.

Q: Was there a change...did you continue this type of thing with Reagan?

JONES: Well, see then I was elected Budget chairman and that was so consuming that I...I was still on the Ways and Means Committee, but I basically got off all of the subcommittee work and what have you. We went forward and Danny Rostenkowski was head of the Ways and Means Committee. He was elected the same year I was elected Budget chairman and Danny and I were sort of friendly rivals because our staffs were always pushing their guy forward, so there was a little bit of tension there. Jim Wright came up and he was elected as majority leader. So my term on the Budget Committee was over in '85 and my plan, and Tip had announced that he was not going to run again in '86, which meant that the speaker's chair would be open. All the speculation was that there would be a race between Rostenkowski, myself, and Jim Wright. In '84, Frank Keating, who is just now going out as governor of Oklahoma, ran against me for Congress. The Republicans with Reagan's votes had picked him to knock me off and he should have. He was a very qualified candidate. What had ended up was that I was totally pinned down in my district and I had more invitations than any other Democrat to go into the other districts because my more moderate views were more popular than the more liberal views.

Library of Congress

Everybody wanted me to come into their district and I was unable to do so because I was tied down to my district to get elected. Jim Wright had a safe district and he went all over the country picking up chits and at the end of the election I realized that Jim Wright had picked up all of the chits to be Speaker.

I decided I'm not going to stick around 20 years just to be Ways and Means chairman following the seniority rules. I was going to leave Congress, so I announced that I was not going to run in '86. That was when Don Nickles was up for reelection to the Senate and the Democrats had no candidate in Oklahoma. I didn't have anything that I planned to do. So I agreed to run for the Senate, which I did. It was a bad year in Oklahoma. Reagan was popular and I was, having been Budget chairman, I had been portrayed as the antagonist of Reagan. I was the devil incarnate against this angel Reagan. Don Nickles had a lot of Reagan qualities. He was not particularly smart, certainly not analytical. He had that chemistry where people just didn't blame him for anything, didn't hold him responsible. Oklahoma was kind of devastated. It just amazed me that Oklahoma was economically devastated, particularly in the western part of the state that I didn't represent, and yet people just loved Ronald Reagan. They never associated their devastation with Ronald Reagan's policies. I realized at the beginning that there was never a possibility of winning. That's one of the hardest things of all is to keep all of your troops out for a whole campaign and put on the face that you're going to win when you know in your heart that there's not a chance to win. We came close, but we didn't win. That's when I returned to the private life. I had no idea what I was going to do. Virtually all of the offers, except for some trade associations, were law firms. I never did particularly like the practice of law. I ended up becoming a partner in a law firm here, Dirksteen, Shapiro, and Moren. It was just a terrific law firm, but I never particularly liked practicing. Then I was recruited to go to New York as head of the American Stock Exchange. I had no idea what I was doing. I said yes, and away we went.

Library of Congress

Q: Okay. Well, why don't we stop at this point and talk about 1987, I guess, when you went up to New York as the head of the Stock Exchange.

JONES: Okay, great. Actually, '87 to '88 I was here. '89 was when I...

Q: Oh, okay, '89. Good.

Today is the 8th of January, 2003. Well, American Stock Exchange. This is a world beyond me. I'm asking probably a stupid question, but what did the Stock Exchange do and what were you doing?

JONES: The American Stock Exchange was the second oldest marketplace in the United States, the New York Stock Exchange being the first. Over the years, the American Stock Exchange became known for two things: it was the marketplace for mid-sized and smaller publicly traded companies, it was the marketplace where you traded their shares; and it became and expanded while I was there, into perhaps the biggest derivative products market. Things like options and those kinds of derivative instruments that are derived from shares of stock they were traded there. That's what it was. My job was a combination of...the CEO of the American Stock Exchange, and was partly a regulator because in the United States, the Securities and Exchange Commission gives authority to the individual marketplaces that they authorize, to be the primary regulator of trading activities. So partly it's a regulatory function. The bigger part is running a business. You're out there and you're marketing, because you want companies to list on your exchange. When they go public, they can list on the New York Stock Exchange, the NASDAQ, the American Stock Exchange, some of the regional exchanges, so you're out there fighting for...

Q: Did they go on one exclusively?

Library of Congress

JONES: Yes. Now, some of them will list...foreign companies will list a London Stock Exchange and also be traded, or in Mexico...foreign companies generally will list on the marketplace of their country, if they have one. They will issue what is called ADRs, American Depositary Receipts, and those things are the same as the shares but it's held in a different form. Those were listed on U.S. market exchanges.

Q: Why would somebody choose American versus New York versus NASDAQ?

JONES: Well, that was my challenge on the American. Over the years...my predecessor, who had been there for 12 years as CEO was Arthur Levitt. He was the head of the Securities and Exchange Commission (SEC) throughout the Clinton administration. Over the years, as NASDAQ and electronic trading became more and more popular, the floor trading, which is what the New York Stock Exchange and American Stock Exchange is where they actually, instead of using computers and being decentralized, they have a central location, the trading floor, and that's where the trades are conducted. Over the years, the American Stock Exchange became caught in this middle between this new technology exchange and the more traditional New York Stock Exchange and its survival was at stake. My goal was to help it survive, to grow it, to try to increase its market share in the U.S. market. Ultimately, I concluded that the best thing that could be done is to merge it with one of the larger exchanges. So anyway, when I got there we had about 800 or so listed companies. The New York Stock Exchange had about 3000 listed companies. When I left, we had increased it about 25% of listed companies. We increased the volume of trade each day, so we had bigger companies. But we were still well behind the New York Stock Exchange.Q: You were there from when to when?

JONES: '89 to '93.

Q: Talking about somebody who was as uninitiated as you can come, but from what I gather, the whole trading field was beginning to change. You're entering a derivatives and all of this, all of which can get rather slippery. One thing moving to another and practices

Library of Congress

that would not have been accepted at one time were changing and mixing. Did you feel you were entering into a kind of mine field, where it was all kind of coming together but changing?

JONES: Changing very dramatically, because about the time I was there, the head of what was called the “big bang” in London, the London Stock Exchange which had operated a very conservative way for years changed and they made some very radical changes in the way they do business there in London. Then there was this globalized trading. It used to be, not very many years ago, from 9:30 in the morning till 4:00 in the afternoon, that was when the trading occurred. Well by the time that I got there, they started this global trading and so a stock exchange was open somewhere. With NASDAQ you could really trade, electronic trade, you could trade 24 hours a day, seven days a week. So there was always an opportunity for mischief. All of that was happening when I was there. The other thing that was happening was a lot of different products, trading products, futures and options and then traditional. Then you started having what they have now: exchange traded products. Take an entire index, like the S&P or the Russell 500 or any of these different indexes and trade them as a block. We had some very bright people there. It's a subset of society. Nobody who has not been there and done that can understand that it's one of the sort of meanest atmospheres you can imagine because the whole scorecard is money. At the end of the day you have a scorecard and you either won or lost that day. The intensity with which that happens, particularly in a closed market where you're in four walls confined, there's just pressure and the intensity with which people deal with each other is very different from anything I've ever done. So we had these brilliant guys. My concern was there's always, in particular as you get to smaller companies, there's real opportunity for mischief, playing with markets and manipulating markets. My concern was that always we made sure that we ran a totally honest market. We had all kinds of safety mechanisms built in. We had these brilliant financial engineers who came up with all of these different kinds of products. I'd have to approve them in order to trade them and then we'd have to send them on to the SEC for their approval. Once we approved it through

Library of Congress

our process, it was generally not a problem. I read one of them, and I tried to understand it, I'm a very smart fellow, and I thought, "There's no there there. This is pure gambling." So I brought all of these financial engineers in and I said, "I'm not the smartest guy in the world, but I'm damn sure not the dumbest. All of these products you're coming up with, these ideas, if you can't hand them to me where I can understand them, then we're not approving." That was my yardstick. That was one of the things that I did. The other thing that I did sounds simple, but it was totally different for the industry. That was that we would put the individual customer first and that we're going to be the most customer-friendly trading floor, or trading apparatus, that you could find. So we put a lot of effort into that. That was the primary reason why we were able to build up the list of companies.

Q: You say "the customer." Who is the customer?

JONES: There were two customers. One was the listed company itself who chose to list there and have their shares traded. If they had a question or comment or complaint, whatever it was, they needed to have a quick response, turnaround time, and meaningful. The ultimate customer was the individual investor, or the mechanism through whom that investor was investing, pension funds or whatever. That was what I perceived as our customer, those two. Before that, the attitude was more of what was good for the firms, the trading firms and what have you, as opposed to what's good for the customer.

Q: Well, this is one of the things that has always disturbed me about looking at the stock market. I mean, the trading firm gets a cut if you sell, the trading firm gets a cut if you buy. It would seem that these cuts would take up almost any margin of profit.

JONES: Well, it depends. They're small percentages for the processing. What the actual specialist, the trader himself or herself, the function, they also have to take some risks. If the market was going up, they take the other side of the market. If there's a bunch of sells, they have to buy. If there are a bunch of buys, they have to sell, in order to keep an orderly

Library of Congress

market. So there are times when there are more sellers than buyers and they have to step in and become a buyer. That's a particular risk. So it's not all gravy.

Q: Why do they have to? Why can't they just sit back and let somebody else?

JONES: That's part of the rules. That's why you set up an exchange: to have an orderly market. You have to have the privilege of being a trader, or specialist, on the exchange, because your obligation is also to keep the market orderly so you can't just let the market drive totally in one direction.

Q: Is there someone who says, "Okay, it's your turn to buy" or something like that?

JONES: If a company is listed - I'm just taking the American Stock Exchange, the rules are a little bit different I think on the NASDAQ, but the American and the New York are very similar. If a company lists, they are either assigned or they are able to interview and choose a "specialist." Specialists, you've seen them on the television, a specialist has this desk around here and they've got all these traders out there. The specialist is the one who is responsible for the order of the market. Company XYZ is one of the companies that's traded at their specialist trading desk. All of the traders out there are taking orders from their firms, like Merrill Lynch or what have you, and they're bidding. "I'll buy at such and such" or "I'll sell at such and such." So the market is kept up here, in terms of you know where the market is, you'll have 1000 shares to buy or 1000 shares to sell, or what have you. There are times when there is more of one than the other. You can't have that many sellers and no buyers or that many buyers and no sellers. If you're going to keep the market orderly, you've got to have someone step in. A specialist has to buy a certain number. I mean, they're not hurting, they're making a lot of money, don't get me wrong. But, if the market just goes to hell, there's a risk in there for the specialist, too. They can end up getting totally burned and run out of business.

Library of Congress

Q: Looking at this, these guys who seem to be waving their hands on the floor and all of this, are these guys working on their own or are they taking orders?

JONES: There are two kinds. For the most part, they're taking orders. Let's say I, as an individual, or if I'm an investor, or institution, like a pension fund or whatever, I'll call my brokerage company. Let's make it very simple, it can get very complicated. Very simple, I'm an individual investor and I've got an account at Merrill Lynch. I call my broker and say I need to sell 100 shares but I don't want to sell below a certain price or I can just say I need to sell or buy. That broker will then electronically tell their floor broker, "Here's an order. Get the best price or keep it within these parameters." So that floor broker, the guy that you see, he will have some orders and what he's trying to do is maximize, if they're buyers or sellers, their customers best price, either selling or buying. He may lump several together or he may put one individually. Then they can also do it for their own account. If they want to put money up themselves, they can buy or sell.

Q: Were you there during - I don't know if this just affected the New York Stock Exchangthe junk bond business. I mean there's a lot of manipulation around this period, wasn't there?

JONES: I was there, it was toward the end of that. There was still something going on. In fact, one of the members of my board was the President of Drexel Burnham, which is the parent company for Michael Milken. So they were into all kinds of problems, as you know, and went out of business, finally went bankrupt. I did feel some of that. We had to deal with punishment on some of the people that were involved in the Exchange. It was never easy.

Q: How about the SEC? How did you find them at that time?

JONES: Well, Richard Breedan was the chairman of the SEC. We got along very well. This was in the Bush years. Arthur Levitt had not been appointed before I left. I had a very

Library of Congress

good relationship with the SEC. I think they trusted me and I met with Breedan, I met with the head of the market regulations, a fellow by the name of Bill Heyman from New York. I had no problem.

Q: One of the things that so struck me about it, the problem of insider trading. Here you have people who are involved in financial trading and I find it hard to think that there could be a wall between knowledge and using it.

JONES: Sometimes it's hard to prove. Every firm is supposed to be setting up those Chinese walls. There's all kinds of...it's almost like Las Vegas with the computer operations. There's all kinds of data in the computer operations to show anomalies in trading. They've preprogrammed things as to what is unusual that you need to investigate. Among those things that are unusual is if there's a large amount of trading by officers, for example, during a period of time before some news breaks that affects the stock price of that particular company. They had all kinds of preprogrammed ways to see if something unusual has happened in the market. That's watched very closely. A lot of people don't understand that. The whole purpose is to make sure that average investors are not put at a disadvantage to people who are bigger guys. It's a funny thing, in this group of people, strategic planning is about 20 minutes. Sometimes they're constantly dealing on current information and when the market was down everybody wanted to merge, wanted to be acquired by us. As soon as the market turned, nobody wanted to get acquired by us. So buying and consolidating the regional exchange didn't work. And then we started working out alliances with emerging marketplaces in Europe, Asia, and Latin America. So I did some traveling and I was in Milan, the principal stock market in Italy. After the presentation, a lot of people raised their hands and one "Explain this insider trading law to me." So I gave a brief explanation of what insider trading was how it was illegal. He shook his head and said, "Why would anybody want to buy a stock that they didn't have insider information on?" So I decided right there that Italy was not quite ready for any kind of relationship.

Library of Congress

Q: Were you involved...I know this was not too long after the emergence of these newly independent states, and Russia was changing and all. Did you get involved with this?

JONES: We had a number of delegations from China, Yugoslavia, Czechoslovakia, Russia. They came over, and we became particularly fond of the group from Yugoslavia. It was kind of sad because they had such high hopes to build their country through capitalism. We actually put together a whole series of training materials for them. Sent it to them. Stocked their library for them. And of course the country disintegrated. Anyway, after these other things failed, I thought that we needed to merge, be acquired by one of our two larger competitors because they just kept putting the squeeze on us. In those days, if you're a floor trading operation, a central marketplace like the New York, you had disdain for the computer technology dispersed operation of the NASDAQ, and vice versa. So the New York Stock Exchange, being a specialist system, a floor trading system - I mean the Americal thought what we really needed, a gangbuster deal would be to put the merger together with the NASDAQ. The head of the NASDAQ at the time, Joe Hardeman, couldn't quite see how you would put it together. Then I talked to Bill Donaldson and Dick Grasso, who were one and two at the New York Stock Exchange, about let's merge our operations. Again, it was one of those market when the market was going up and there was less interest to them. About that time was when Clinton asked me to be ambassador to Mexico.

Q: This was when?

JONES: The spring of, May of '93.

Q: '93. What did...?

JONES: I had been called during the transition in late '92. They asked me if I would consider being OMB director in the Clinton administration. I said that I really couldn't because that was when I was trying to put these mergers together. I said that maybe four

Library of Congress

years from now I'd love to, but I couldn't walk away from this now. Then early in '93 I was asked if I would be ambassador to Japan. I said no for the same reason. I just couldn't do it. Then, about May, late April or early May of '93, Peter Tarnoff and I were calling and Peter said, "We're completing our major ambassadors. They're going over to the White House now. I'm really puzzled on Mexico. Would you have any interest in that?" I said, "Well, you know I don't know. It's nothing I've ever really thought about." I didn't reject it out of hand because it looked like what I was trying to do at the Amex was not going to work, the merger, and I do love public service. So I didn't reject it out of hand. I didn't think anything more about it and it was about a week or so later that the President called. I was just going out the door. Did I tell you this part?

Q: *No.*

JONES: I was just going out the door for a 10-day business trip that wound up in Switzerland. About twice a year I went all over the country and met by regions with our listed companies CEOs. So I was just starting that trip and the President called. He said, "Jim, what do you think about the economy?" and what I thought about this and of course you're always pleased to have your opinions asked by the President of the United States, so I was giving them and I said, "Mr. President, I hate to cut this off, but I've literally got to get out the door. I'm catching a plane and going on a business trip." "Well, that's not why I called you anyway. I want you to be ambassador to Mexico." And I said, "Mr. President, I thought about it. I just don't see how I can do that. I've never had a desire to be ambassador. Besides, I don't know whether I could work through all of the bureaucracy. I'm too much of an old buzzard now." He said, "You know, you won't have to go through bureaucracy. I need you because NAFTA is in trouble."

Q: *NAFTA being...*

JONES: The North American Free Trade Agreement. It was in trouble in Congress and I had had the reputation of building bipartisan coalitions in Congress and was

Library of Congress

trusted on both sides of the aisle. He said, "I need you to help push that through and be my ambassador." I said, "Well, you know I don't think I'll be able to work through the bureaucracy very well." He said, "If you ever have a problem, you call me directly. You don't have to work through the bureaucracy." I said, "Let me think about it and I'll call you when I get back. I'll be back in 10 days." In the meantime, about three days into the trip or two days into the trip, it was leaked that I was going to be nominated ambassador of Mexico. I hadn't told any of my board. So I was calling from practically every airport and city to my board to tell them what was the situation. I remember what Lyndon Johnson said to all of us who worked for him. "If the President of the United States ever calls you, no matter who he is, if he needs your help you do it." So I said, "Well, I'll do it."

Q: Let's go back to that. Can you talk about your relationship to Clinton and the '92 campaign?

JONES: When I left the White House, we moved to Tulsa. My wife had never been to Oklahoma before and I thought Tulsa would be less of a culture shock than the rural town where I grew up. My plan was to run for office. Tulsa is in the northeastern part of Oklahoma. Bill Clinton, after he finished his Fulbright went to the University of Arkansas as a teacher. That's in northwest Arkansas, so Fayetteville was in the television market of Tulsa. So he watched my campaign in '72 that I won. He ran for Congress in '74 and lost. But we had known of each other in that period of time. Then in the mid-'80s, I was one of the founding members of the Democratic Leadership Council after the '84 election. Among the ones we persuaded to come in, ultimately as chairman, was Bill Clinton. So we had known each other. In '88 he was going to run, but didn't. I remember I called him after he decided not to run. He was very dejected, very depressed. He said he may have missed his opportunity for a lifetime. I pepped him up and told him that was not the case. In '92, when he ran, I didn't support him. I supported Paul Tsongas of Massachusetts. Obviously I supported him after he got the nomination. So that was sort of the relationship. We knew each other, but we were not close. I think there was a mutual respect for our political skills.

Library of Congress

Q: Did Mexico fit into your itinerary?

JONES: Peter Tarnoff was the President of the Council on Foreign Relations. About a year before, I guess in, maybe all of 1992, I had been appointed chairman of the CFR's task force to study North American trade, in which Mexico was the key part. I had done some stuff in Mexico, going back to my days with Lyndon Johnson in the '60s, but I was not a Mexico specialist at all.

Q: How was NAFTA seen from the New York business world at the time?

JONES: Oh, very much for it. In fact, I was involved with a business leadership group in New York to promote NAFTA.

Q: So it wasn't a matter of convincing yourself, converting you or anything like this?

JONES: No, I was a major business promoter on NAFTA and of expanding trade. And I was that in Congress, too. I was very much for free trade, expanding trade agreements, and things like that when I was in Congress.

Q: How did you go about...what happened? You apparently had to tell the President yes.

JONES: When I got back I called and said that I would do it. I said, "Look, I'll do it for a year to help pass NAFTA, help implement NAFTA, and then I'll come back and do something in the private sector." So that was like the middle of May, somewhere in there. They sent me all the papers. I filled them out and sent them back, I guess, in June. Nothing happened and nothing happened. It got down to the end of July and I called the White House because Congress would go to recess in early August, and I said, "I don't mean to be ungrateful, but if my nomination isn't taken up and approved before Congress recesses in August, I'm withdrawing because the whole purpose of this was to help pass NAFTA and NAFTA's going to be front and center right after the August recess. If I'm not

Library of Congress

approved, I'm not any good. So I'm going to withdraw." They got it up to Congress and got it approved the night they adjourned.

Q: Did you have any problems with Jesse Helms?

JONES: No. Interesting thing, Jesse Helms...there was a young lady named Debbie, she came from a very conservative family in Michigan that owns one of those direct sales companies, Debbie Devoss or something like that. She was Jesse Helms' expert on the subcommittee on Latin America, Foreign Relations. You never know how these things work. She turned out to be a very good friend and telling me how they were going to put through and was very, very helpful. It turns out the reason why, she lived on Capitol Hill and she walked by our house everyday on her way to work and she absolutely adored my wife's garden, and anyone who could be married to someone with such a beautiful garden had to be a good person themselves. Debbie Daboss. So she was very helpful, and got it through. Then I had to wind up my Amex stuff in early August and went to Mexico. I went down there the 15th or so of August. Because I hadn't had any time to take any language training, I didn't speak Spanish. And so I went down there, and I say, I Ronald Reaganed my way through Mexico for the first six months. I wrote out all of my statements. U.S. ambassador was covered like a blanket by the Mexican media. Wherever you are, they are out in force. So I would write out all of my statements in English. I had the USIA translate it into perfect Spanish and then I would memorize it. I had cards that underlined words from here to here. So everybody thought I spoke perfect Spanish and then when they asked their question that's when I say I Ronald Reaganed it that's when I would smile and nod my head. I didn't know what they were talking about. About six months later, I had my first press conference in Spanish. Mexicans were very tolerant because still my impromptu Spanish is not that good, but they were very tolerant.

Q: Let's talk about NAFTA. When you took over in late summer of '93...first you better explain vis a vis Mexico, what NAFTA was and how things developed.

Library of Congress

JONES: George Bush the first had started the negotiations for the North American Free Trade Agreement. He, Carlos Salinas the Mexican President, and Brian Mulroney the Canadian Prime Minister, made the agreement in San Antonio or somewhere. They started negotiating this thing. Then Clinton was elected. Clinton, during the election, the transition, thought that he had to change some of things they were negotiating. As I recall, Carla Hills, who was the prime negotiator, basically they finished the negotiations in August of '92 and Clinton had said he can't accept everything. He was for open trade, but in the area of labor and environment, at least, they were going to have to make some changes. So then he gets elected, he takes office, and a new trade negotiator comes in, Mickey Kantor. So they started renegotiating. That goes through that phase for several months. Finally, I don't know the exact time frame, but somewhere around the time that I was being confirmed, somewhere in that summer they were in sort of the final stages of the negotiators agreeing to the agreement. At which time they then had to send it to the Congress for an up or down vote, which took place in the fall. So it went through the process of hearings and all of that. We were short of votes. Three weeks before the vote, we planned congressional delegations to identify who was undecided and we picked 30 undecided Democrats and Republicans and invited them on three different trips to come to Mexico. We arranged the trip. We arranged these visits. One of them, coming in from the airport, someone said, "Hey that's a Wal-Mart." It was not a planned stop. I said, "Well, let's stop there." Everybody got out and went in, all of these congressmen, and they saw chickens from Arkansas and all of these products being sold in Mexico, U.S. products. That impressed them; I was watching. Henry Davis, who was the head of Wal-Mart and their joint venture partner, he's a Mexican, but he's got a name Henry Davis, and he was very good and he explained how they do it. I could tell these Congress people were impressed. So for each of the other two congressional delegations that we had the next two weeks, I always made Wal-Mart a stop. We put together the top business people. We had a couple of dinners at the residence. We set up a leading Mexican businessperson, who happened to own a plant in the district where that congressman was from. We scheduled meetings with the publisher of a new independent newspaper called Reforma

Library of Congress

and he was a very candid guy, Alejandro Junco. We always had him on the stops so he could come and give his assessment. We gave them an assessment of Mexico. It was positive, but it was not sugarcoated. We talked about the legal system and the corruption that still existed. We talked about the problems that they had to overcome but why NAFTA was so important to it. Anyway, at the end of that three weeks, out of the thirty who were there, we had 28 votes supporting NAFTA. It passed 230-200.

Q: I remember Ross Perot was a candidate and got what was it?

JONES: He got about 19% of the vote.

Q: I mean his thing was that NAFTA was supposed to be a giant sucking sound or something of jobs going down. Was Ross Perot, even though he lost the election, was he a factor anymore?

JONES: He was a factor, from my point of view, in Mexico. He and the governor of California were factors because they continued to play on this anti-immigrant feeling that was in the country, the fear of losing jobs and being overrun by immigrants and all of that. Whenever he said something, which was often, it was highly played up in Mexico and I had to always explain to put it into context.

Q: When you went there, there seemed to be two things. One was, of course, cheap labor destroy American jobs. And the other was the environment. Mexican controls were much less strict than American ones. It would give them an unfair advantage and plus it would increase the environmental impact. How did you view those...before you went I mean, looking at it, how did you see it when you were down on the ground?

JONES: It wasn't as bad as it was portrayed. People who were exporting goods were adhering to very good environmental practices. When we went there, I established six objectives, if I can remember them. The first was commerce. The whole embassy team did a great job pushing it through, first being commerce. My theory was, the more we

Library of Congress

exchange commerce, the more we add wealth to both countries, the more we're going to understand each other, know each other, and like each other. So that was number one, expand commerce between us. Number two, which led from that, was democracy. If you open the markets, you're going to open the political system and make it fair and honest. Three was the whole business of corruption, narco-trafficking, etc. In that case, I concluded that we would never be able to stop narco-trafficking as long as the U.S. market was as rich and as big a buyer as it was. All we could do in Mexico would be to disrupt it and send it somewhere else. So I called it the "Cucaracha Strategy." They said, "What's the 'Cucaracha Strategy?'" Cucaracha being cockroaches in Spanish. I said, "Well, in Washington or in New York if you buy a row house, for example, you always have cockroaches. So you get an exterminator to come in and about 30 days later, the cockroaches are back because you've got more food around and you've got to keep doing that. Then finally, you get a service where you have it done every month and so you don't have any cockroaches. Then you meet your neighbor five houses down who has a terrible cockroach problem because they all go where they can get their food. That's what you're going to do with narco-trafficking. If we can disrupt it enough, we're going to divert it to Puerto Rico or Cuba or somewhere else to get into the United States, except from Mexico." So that was third, narco-trafficking. The fourth was border issues. The border was like a third country: the United States, Mexico, and the border. So that was a special objective. Fifth was the environmental issues. The sixth was that I wanted this embassy to be known as the most customer-friendly- (end of tape)

The other objective was to have the U.S. embassy in Mexico to be known as the most customer-friendly embassy in the world. So that was what we set out to try to do.

Q: Let me take the last one first. As an old counselor officer, I never served in Mexico and avoided it like the plague, but I mean you've got two major problems: you've got visas and you've got protection and welfare. Visas were for Mexicans and many wanted to come in

Library of Congress

and essentially as visitors, but they were really going to work. It's hard to be customer-friendly when you don't particularly know.

JONES: First of all, Mexico, the embassy in Mexico made a profit for the United States government. Our entire expenses were seeded by the money we made on visas. A customer were the Mexicans themselves. It wasn't that you had to approve, but you had to have the process that took the demeaning nature of the application out: schedule times that they could count on not having to wait in long lines; when they get there, you treat them friendly. I used to walk the visa lines a lot just to see if our people were acting that way. We also found burnout. It was a very hard job as you know.Q: Oh, yes.

JONES: Mexicans can make up better stories than almost anybody I know, in terms of having a cock and bull story be believed. So you become hardened by that. That's just one aspect. Since commerce was our number one thing, we really wanted to build a commercial section that knew the country, that knew how to do market studies; if a company called, they got all of our resources to understand what they were getting into and how to do it. All that sort of business.

Q: How did you find the commercial system, because so much of the commercial system...I imagine in a place like Mexico when a foreigner goes through the bureaucracy, to some extent, and the bureaucracy was certainly notorious as being, you know, I mean, there were payoffs.

JONES: I also personally told any company who was about to make an investment there - I met with them - that if you ever get into a situation where you're asked to do something that would be illegal in our country, you come to me and we will go to bat for you. We did. I took a few of those cases up with the President, himself, of the country. Then we would do some testing later to see if there was retribution because we fought very hard for that. By the time I left, there was hardly an instance in which a company complained that the only way they could do business was to pay off somebody or to share or to give

Library of Congress

10% of something to somebody; they just didn't mess with us. We put that word out. I did it publicly. I did it with all of the government officials.

Q: How about the problems of tourists and all, you know, and the policgetting involved with the police and all of that? This is sort of a local problem, but it was one of the issues.

JONES: President Zedillo asked me at one of our late night meetings...he was so dejected at one point that he said, "What would you do about our law enforcement system?" I said, "What I would do is not practical." He said, "What's that?" I said, "Take an atomic bomb and blow it all up and start from scratch. Any Mexican that had ever had any law enforcement background or experience, never hire them, period." I told him, I said, "I don't mean this to be disrespectful, but I found about Mexicans that they are very smart, they are very trainable, they can be very loyal if you show loyalty to them, but never try to retrain a Mexican in what he thinks he knows how to do." He agreed with me.

Q: How about Americans caught in jail and all of that? Deservedly so, for drugs and things like this, but...

JONES: No, we had a very good...it was all consular officers do.

Q: Was this...we had the prisoner exchange system by this time. Was our prison population a problem for you or was it under control?

JONES: It was under control. We had a few instances that they brought to my attention, but there were very few. That was the nice thing about NAFTA. Pre-NAFTA and post-NAFTA the way things were done in Mexico, vis a vis the U.S., have really changed dramatically. Today, it's 180 degrees different doing business with Mexico than it was 10 years ago before NAFTA started.

Q: How did you find...did you run across the problem of trying to keep control over this big embassy because, I mean, you had all of these lines of communication? The FBI

Library of Congress

was talking to their counterparts. You know, the water commissions were talking to water commissions. There were a lot of these...

JONES: That was part of the arrangement I had with the President and I told them at the first country team meeting. Mexico is our largest embassy - I think 33 agencies are represented there - and at the time we had the screw worm eradication program going, so we had a little over 2,000 people. At the first country team meeting I said, "I don't know how you've been accustomed to doing business, but I believe in teamwork." I told the President, I gave him the story about the Presidents that call him directly, and I said, "I also was told that I have the authority not to approve anybody coming here and sending people out of here, which I intend to do." So I know that because Mexico is so close to the United States, you have your direct lines: the FBI to FBI and the CIA to CIA, etc., etc. I said, "We're not gonna do that anymore. We're gonna work as a team and be the embassy team in Mexico. If I find out any of you going directly without coming through me first, you're out, period." And I did send one person out.

Q: Well but I think that there would be a problem that, in a way, these direct connections worked for efficiency. To have to go through your office would be a problem, you know?

JONES: I was there representing the President and it was not a problem. They do these in depth, what do they call them, investigations every seven years or so...

Q: Yes, inspections.

JONES: Inspections. The IG people wrote in the report that they had rarely ever seen one like that, in terms of their attitude toward me, in terms of their attitude about being a part of the embassy team. I kept that as a souvenir. It was very nice, very complimentary.

Q: What was your impression of the...you were there from when to when?

JONES: '93-'97.

Library of Congress

Q: What was your impression of the government? At that time it was still the PRI, wasn't it?

JONES: Yes.

Q: Was there a feeling that this was a party that had been ruling for 40-50 years that was on its last legs?

JONES: No. In fact, the Mexicans themselves...one of the first things that I had to do on the political side was to, there was the general feeling that the U.S. ambassador had a cozy relationship with the PRI and one of the U.S. ambassador's objectives was to make sure the PRI, for stability purposes, never lost. So one of the first things I did was to go out in a public way and meet with the leadership of the opposition parties and to assure them that we believed very strongly in democracy and an open political system. We were not going to take sides and our only interest is that there be fair and honest elections. It was hard for them to believe at first. We really proved ourselves in 1994 when Carlos Salinas did not want elections observers. So we went around and around, I forget what we finally called them, but to get a name for them to do the same thing. We put some money into some of the NGOs, a couple of NGOs there that were fledgling NGOs, and we brought lots of observers down for the 1994 Presidential election. We did our own polling. We convinced them to do exit polling on election day, and it was perceived as an honest election. Even Cuatemoc Cardenes, who was from the far left and became a good friend of mine...he was marching to the Zocalo after the election, we didn't know what they were going to do. I called him on his cell phone while he was marching, and I said, "Cuatemoc, don't burn your bridges. If you're going to say that this was a dishonest election, or whatever, we know it wasn't. We know it wasn't and we're gonna say it was. So don't burn your bridges." He didn't. He was very responsible. So that turned out well.

Carlos Salinas is an interesting character. I was there for the last year and a quarter of his presidency. He's very smart, very good economist, very good politician, he had a smart cabinet and he was the smartest of them all. He kept several balls in the air at the same

Library of Congress

and I described him as having one foot in the old system - because they were getting money out of the business establishment and they were circumventing their own election laws - and one foot in the new system because he really wanted to be perceived as conducting an honest election. It was a good transition time. Zedillo I really liked, we spent a lot of time together. He was not as good a politician, but he was the genuine article. I never felt I knew Carlos Salinas, that he was always hiding something from me, but Zedillo was much more transparent.

Q: How about, certainly the politics of the embassy...there had been various times when the ambassador has been a real problem for the embassy. You know, there are the so-called "temple dogs" moving after...

JONES: Yes.

Q: Sometimes ambassadors arrive with sort of an entourage, gate guards...

JONES: I didn't bring anybody.

Q: ...who isolated. This is not a good way to do this.

JONES: I didn't bring anybody with me. First country meeting, I said I've got an open door policy and I always kept my door open unless there was a private meeting of some sort where I had to...people would come in there who had to make appointments. I mean they did just to see if I was available or busy or whatever. I hired the wife of one of our DEA (Drug Enforcement Agency) agents. He was kind of a goofball, but she was Mexican-American and just a delightful person; very, very efficient. She was a schoolteacher. She made everybody feel absolutely at home and welcome, whether they were in the embassy or from outside. No, we never had that problem.

Q: It must have been beginning with elections and this, people talking about what had happened previously.

Library of Congress

JONES: Oh, yes. They compared me to Negroponte, who many of them didn't like because he was very aloof. I would walk through the embassy, not everyday, but quite a bit, just go down and see what's going on.

Q: Who was your DCM, by the way?

JONES: It started out with a guy named David Beall, who is now running whatever the drug program is over at the OAS. I inherited him, too. We had terrific chemistry. It really clicked. David's wife had some health problems and...my goal was to make sure David got to be an ambassador. He was a career and I wanted him to be ambassador of a major country because I thought he was very good. He finally got discouraged with Jesse Helms. He thought that he would never get by Jesse Helms and his wife was kind of wanting to go back to the states. So he left the foreign service. Then I interviewed and chose a fellow named Chuck Brayshaw, Charles Brayshaw. It was a different kind of chemistry with him. He was a little more, not laid back, but a little more methodical. David Beall was hard charging the way I was. But Chuck did a superb job.

Q: How about the desk?

JONES: I never used it. In fact, I either talked to Warren Christopher or Peter Tarnoff or Sandy Berger, the cabinet officer, or whomever.

Q: I'm looking at the time and we better stop now. I would like to have one more session and let's talk more about what, you know, were there any particular issues that came up. We talked about your six point policy and all of that, but maybe we can talk about maybe some specific issues and all that came up and about the press and how it operated.

JONES: You had a number of specific issues around the drug trafficking thing. You had big issues on the devaluation and the bailout, which was very big. You had a big issue on the elections. So those were all the big ones.

Library of Congress

Q: Alright, and we'll talk about, maybe, border state relations, too.

JONES: Alright, good.

Q: Great.

Okay, today is the 11th of March, 2003. Let's talk first about drugs. What was sort of the report on the drug war at the time you got there?

JONES: Well, let me backtrack. When I was in Congress, one of my colleagues from Oklahoma was chairman of the committee to try to stop the drug trafficking into the United States from Colombia and the Andean countries. This was about 1980. All of the drugs were coming in through the Caribbean to Georgia, Florida, Mississippi, Alabama, and then moving into the U.S. market. It took them until about 1989 before all of the efforts at interdiction succeeded at essentially stopping the traffic through the Caribbean. What the drug traffickers did is just to divert and go through Mexico, which was an even more convenient place. So when I got there in 1993, a pretty sophisticated drug trafficking operation had developed. It developed a great deal of organized crime, particularly at some of the principle border cities, like Juarez, in the Tamlipas area, and then in Tijuana. They were some really big drug cartels. What had happened in that period of time just before I got there was that in the past, when they diverted drugs from the Caribbean through Mexico to the United States, basically they were paying a commission to these criminal organizations to get them across the border. Then the criminal organizations started realizing that they could do much better, they were really good entrepreneurs, to take product. So they would get a percentage of the actual drugs going across and they started developing their own drug distribution systems in the United States. By the time I got there, you had three major drug cartels that were a very corrupting influence and were sending three quarters or more of the cocaine going to the United States -

Library of Congress

through Mexico, originating in the Andean countries - through Mexico and into the United States distribution. A good bit of the marijuana. But it was really the cocaine and those kinds of drugs. One of the big issues was drug trafficking. How do you stop it? When I got there, I tried to analyze the situation and talked to a lot of different people. I decided that there is no way to stop it. As long as the United States market is so vast and so financially rewarding, the most we can do would be to divert it. We devised what I called the "cucaracha" strategy, and I used to explain it, "cucaracha" being cockroaches. I used to explain it by saying if you move into a row house in Washington, you generally have a whole bunch of cockroaches. You exterminate the cockroaches and they're gone. About a month later, they come back.

Q: The neighbors are very unhappy.

JONES: So then when you start exterminating every month, you don't find them anymore and then you meet your neighbor five row houses down and he has this terrible cockroach problem. My theory was that as long as the market in the United States was so big and there was so much money to be made, the drug traffickers, the cockroaches, would find a way to get the drugs into the United States somehow. The best that we could do until we really reduced demand in the United States was to harass the cockroaches and move them around. So that was our strategy. It ultimately became relatively successful and now drugs are going back through the Caribbean and through other places.

It's been my experience that wherever you have the Napoleonic code as the rule of law, you have a high degree of corruption because it's very structured and non-transparent. In order to make anything happen through the legal system, you have to grease the palms of so many people just to get the wheels grinding. It becomes an endemic part of society. That's true in Mexico, it's true in virtually in every country that I know of that has the Napoleonic code, because it's not transparent and it doesn't have jury trials the way we have jury trials. You add on top of that what they pay their police, it's such a pittance that the policemen have to buy their own uniforms, the gasoline for their cars,

Library of Congress

bullets for their guns, etc. They make very little money. It is not unreasonable that there's going to be a lot of corruption in there. You further add that their training programs are such that they have no professional sense of what they're supposed to be doing. I told the attorney general one time, I said, "Even if you assumed that the legal system was honest, it's incompetent. It doesn't know how to collect evidence, preserve evidence, present evidence, and therefore you don't have competence in the system, so you have a ready-made system ready to be corrupted further." The amounts of money that the drugs can spread around is really quite phenomenal. It's such a big business. It was very hard. For example, one of the things we did in about 1990 somewhere midway through my four years we made a concerted effort to really train, equip, vet, continue to vet units strictly for fighting drug trafficking. We had the CIA involved, we had the FBI involved, the DEA involved, and this was kind of a radical departure for Mexico because if it was to get out that the CIA was training Mexican law enforcement would be politically very damaging, so it was closely held. We put it together. We had the units. We equipped them and what have you. Even with that, we had it penetrated. It was penetrated, first of all, by having assassinations of some of the elite units. Then it was penetrated further by having them corrupted, bought off. We targeted the heads of some of the cartels. One that had been the sort of the big daddy of them all was the Juan Garcia Abrego cartel, which was in the northeastern part of the country, the Tamaulipas area, you know, east of Juarez. It had been the big one, ultimately eclipsed by the Tijuana and the Juarez cartels because they were even more vicious than the Garcia Abrego cartel. As you may know, or may not, we had more intelligence gathering apparatus in Mexico than any place except the Soviet Union because, in the old Cold War days, Vienna and Mexico City were sort of the crossroads for spies and things like that, so we had a deeply entrenched intelligence gathering apparatus. We targeted Garcia Abrego and we had one intelligence interception that indicated he was going to have a face-lift. I think it was a San Diego doctor who was going to perform it. We knew the location of where it was going to be. His girlfriend on the Texas side of the border was going to meet him there. We knew the time and place, etc. I went to the attorney general of Mexico and said, "Here is the information. We can

Library of Congress

get this guy.” In fact, that attorney general told me one time, I said, “How are you finding it?” He said, “I think there may be five people in the entire PGR,” which is their Justice Department, “that I can trust.” So anyway, we decided to keep it very close, and just the two of us, then we expanded a little bit more and a little bit more. As we were going to close the noose on the guy and catch him right in the middle of having a face-lift operation, just before that, someone within the organization tipped him off and we missed it.

Subsequent to that we had another intercept that said that Garcia Abrego was going to teach the U.S. ambassador a lesson. He put a contract out for me, to bomb me. So there was about an intense 10 days there where we had significantly more security. That sort of sharpens the focus when you know you area target for that. Ultimately, we caught him, partly by accident. A Mexican in, I think the city of Pueblo, just happened to come across him and catch him. Apparently Garcia Abrego's mother was quite ambidextrous because he was born simultaneously in Texas and Mexico and had a birth certificate in both places. So I already prearranged with the foreign minister that they would...because they had to go through all kinds of legal loopholes and legal hoops to jump, in order to extradite anybody who was a Mexican, and it had been very difficult to extradite anybody, no matter what they did, if they were Mexican. So we had prearranged with foreign minister that he would recognize the Texas birth certificate and instead of having to extradite him, he could expel him as a non-Mexican. When we caught him we already had a plane arranged. He was caught and put on a plane sent to Houston before anybody could say a hoot. He is now in jail in Houston for a nice long sentence.

Having done that, that shifted some of the drug...well, first of all, there was a bit of a leadership war in the Garcia Abrego cartel, and then there was a real battle between the two remaining big cartels. About that time, the Mexicans appointed a general, whose name I just forgot, to be the head of what would be equivalent to their drug czar. Our drug czar was Barry McCaffrey, also an ex-general. We had one of our bi-national commission meetings in Mexico and Barry McCaffrey met this General Gutierrez for the first time and was really enamored by him. He made all kinds of public statements and I said, “Barry,

Library of Congress

we don't have anything bad on the guy, but down here it's always good to do a little more due diligence." Well, very shortly after that, General Gutierrez was arrested and convicted on being very aggressive against one of the drug cartels, but he was on the payroll of the other cartel. So, fighting the drug business was an interesting business in Mexico.

Q: How were your relations with both our attorney general and with particularly the Drug Enforcement Agency? All of us in the foreign service have had dealings with this. They sort of have their own rules. They're cops, essentially. Diplomatic niceties are not there. Particularly in a place like this, I mean, it's a war. How did you find the way they operated in your relationship with them?

JONES: Because I had had this arrangement with President Clinton...since I had first declined the ambassadorship and then when I said that I don't work well with bureaucracy and that sort of thing, he said that if I ever had a problem with anything, to call him directly, which I never did, but I let the whole U.S. government know that I could. I went down there believing that the ambassador was the representative of the President and the entire U.S. government and that we were going to develop team concepts. If I caught anybody reporting directly and around me, or doing things without my prior approval, I would have them sent out of the country, removed, which was the ambassador's authority. I let them know firmly what I would do, but I wasn't doing it for the purpose of creating a hostile relationship but to say that we were gonna work as a team. We did indeed work as a team. I didn't have the problem, and I particularly met with the DEA (Drug Enforcement Agency) folks because they had the reputation for being cowboys and doing something and then thinking about it later. That just wouldn't work in Mexico, particularly with some of the things that had gone on there. So I did not have that problem. We had, for the most part, good DEA people there. I had to ask that one be removed because he was just clumsy as hell. It was not a big problem. My problem with the DEA and my problem with everybody in the law enforcement and the intelligence gathering business was the accuracy of what they were reporting to me. That went back, I think we may have covered it, to my days in the White House and Vietnam, where theoretically, the best and brightest that this

Library of Congress

country can produce, produced to the President of the United States information that was not accurate at point which decisions should not have been made regarding Vietnam. How that happened I'm still baffled as to how the system could create such erroneous misinformation. But I was a skeptic, and I was particularly a skeptic in Mexico, because Mexico, because of its closed non-transparent system of government and journalism, etc., in the past, it is probably the fastest rumor-spreading country that I've ever been involved with. Trying to figure out what's true from rumor is very difficult. We spent a lot of time in the bubble...

Q: This is the secure room where supposedly you can't eavesdrop in.

JONES: Right, right. Because when I would get information about this Mexican family was related to this drug family, or that someone in the President's office was laundering money for drug dealers and things like that, these were obviously very sensitive things. Before I would let them go back to Washington, I would bring everybody into the bubble. I was like a district attorney. I would really grill them and then if I was satisfied that they had done their homework well, it was not just some rumor that they were passing on, we would let it go. If not, I would insist either that it not be sent or that we add a skeptical...

Q: Did you find as you started this process that this sharpens the work of your people?

JONES: Absolutely. It was very interesting because - and I talked to Janet Reno about this...

Q: She was the attorney general.

JONES: She was two years ahead of my wife in law school. My wife knew her vaguely, but I didn't know her at all and came to really like her. She was very supportive of everything that we were doing. But I told her, I said that the biggest enemies law enforcement has in the United States is each other. They cannot work with each other and it wasn't going to happen in Mexico and it didn't happen in Mexico. So we worked as a team in Mexico.

Library of Congress

For example, I had a real knockdown drag out on one piece of information that came to me and I happened to know, and my wife knew, the families involved. I happened to know some of the circumstances surrounding the incidents and so they had put a twist on it. So we went in the bubble and I grilled them until we got down to and everybody agreed that they would send a different piece of information back and correct it. Subsequent to that, the head of the DEA in Mexico came in to see me and said that he was going to have to retract his agreement on that report. I said, "We had a very thorough conversation about this. What has changed your mind?" He says, "I've been ordered to, by Washington." That person subsequently left the DEA he was so discouraged with it.

Q: This is always a problem in reporting. You talked about Vietnam. Sometimes there's this, you know, back in Washington they often say they essentially want this information to be so and so and pretty soon a few of them begin to pick up these revelations and their bureaucrats and they feed what the monster in Washington wants.

JONES: Yes, and that's the case. I think, going back to Vietnam, because I've talked to some people who were in the field in Vietnam at the time, who are now some senior folks. There was an interpretation by some of the agencies that what President Johnson wanted and what is ironic, that was a misinterpretation of what he actually wanted.

Q: By the way, there was a movie that came out. I guess it sort of covered your period, called Traffic, wasn't there?

JONES: I have not seen the movie, but the answer is yes, and it's based on...the general I just told you about, their fictional general is really based on that.

Q: But essentially it came up with that there's no solution to this thing.

JONES: Really? The solution, I used to say, is that you're always going to have some, just like you have some alcoholics and things like that. The solution, to me, is to reduce the demand and to have as active a program making drug usage as anti-social as

Library of Congress

cigarettes, as smoking has become. Until you make it anti-social, I don't think you're going to reduce the demand. The second part of that is you have to put some money into the drug cultivating areas so that the families that are growing the drugs, these are peasant farmers, will find another reasonable means of making a living.

Q: Because actually they don't make much off it anyway. It's the manufacturers.

JONES: Then the third part is to do what we did, the "cucaracha" strategy. That is to have a multinational police operation just to harass the drug traffickers.

Q: Well then, we come to finance. What was it, devaluation? I mean, the whole thing. What was the problem during your time?

JONES: What happened is that President Zedillo was elected in August and he took office December 1. President Salinas was going out of office. During that period of time, there was a discussion, because at the time they pegged, the peso to the dollar was roughly three to one, and they kept it that way. They did all kinds of things to keep it that way, a stable peso. To do that, they had also taken on a lot of commitments that ultimately weakened the peso. Somewhere in that period of time, roughly November, there was a big internal argument between the incoming administration and the outgoing administration about having some phased devaluation of the peso. The outgoing administration didn't want to deal with that. So on December 1, the Zedillo government comes in. The new finance minister, a fellow named Jaime Serra Duche, who had been the commerce minister and chief trade negotiator for NAFTA. Very smart guy, but as most trade negotiators, they hold things close to their chest. They don't reveal a lot of information. The outgoing finance minister was a fellow named Pedro Aspe, who had really gained the confidence of the international financial community. He had a Rolodex and if the slightest blip happened, he was on the phone calling all the financial people and explaining what it was and so he really paid attention, he communicated. December 1, the new administration comes in, two weeks later, roughly. At the time, Mexico, because we

Library of Congress

watched this, we were concerned that Mexico was perhaps depleting its reserves to be able to defend the peso at a three to one ratio. At the time, the new administration took over, there was something like \$30 billion in reserves, which was a sufficient amount. In that period of time, the roughly two and a half weeks, there was sort of a run on the peso and before anybody knew it, it got down to about \$3 billion or \$4 billion reserves. The new finance minister had to prepare a budget. In the old system in Mexico, it's still that way, but it's changing, it was improper to have a transition. You could talk and what have you, but you didn't do anything until you took office. The President didn't do anything, the cabinet didn't do anything. So they all took office on December 1 and that was their first knowledge, really, of what was going on. In that first two and a half weeks, the finance minister had to prepare a budget and present it to the Congress during the month of December. His wife was expecting a baby. He had one other big issue, I can't remember what it was now, and then, all of the sudden, this run on the peso. So he had lots of distractions. I started getting calls, roughly mid-December, from financial managers in New York, some of whom I had known and worked with, saying, "What's going on in Mexico?" They said that they called the finance minister but he was not returning the calls. That, to them, meant something really negative was going on. So I called him and we had a couple of conversations. I said, "You've got to return these calls. You've got to reach out and tell them what's going on." What he did, instead, was to, in a 7:30 a.m. broadcast on radio where he was being interviewed, he said they were not going to devalue the peso. To a fund manager, who didn't get his phone calls return, and then to have a public announcement that they're not going to devalue the peso, meant a) they're going to devalue the peso and b) it's coming soon, I better get out of there. So there was a real run on the peso, almost overnight the reserves depleted down to about \$3 billion or \$4 billion. At that point, it was too late. The devaluation occurred and literally, in a matter of days, interest rates went from single digits to 100%. The peso devalued 50%. It shot up to roughly eight from three to the dollar. So overnight, people's incomes were cut in half and their interest payments went up 10 times. People were turning in keys and everything. It was really a very big mess.

Library of Congress

Q: This was when?

JONES: This was December of 1994. First of all, I went there in August of '93. We finally passed NAFTA in November of 1993. It took effect January 1994. January 1, 1994, you had the Zapatista rebellion in Chiapas. So that had been ongoing. During the campaign in the spring of 1994, the PRI candidate, Colosio, had been assassinated up near Tijuana and Zedillo had been substituted. Then Zedillo wins in a relatively close, but clean, election. He takes office and at the end of 1994 you had the huge devaluation. At that point, I was coming back to Washington on a Monday and returning to Mexico on a Friday, working with Larry Summers, working at the White House...

Q: Secretary of the Treasury.

JONES: Yes. Well, he was not the secretary of the treasury, he was the undersecretary of the treasury. My view right away was that if Mexico continued to go the way that it went, it was going to spread a contagion of recession, deep recession, among all of the developing countries that would ultimately go global and come back and bite the United States. So all of our planning of having free trade agreements, opening markets and what have you, he closed the markets, and finally comes back the next day and created a huge problem for the United States, let alone the bilateral problems that would exist. So I was coming back to Washington trying to convince the administration that we had to do something initially. Ironically, people like George Stephanopoulos in the White House who were there to protect the President's political viability, wanted nothing to do with it. They saw no political gains of any kind a bailout or anything like that. Ultimately, they realized that they had to do something and so for about a month there, I was coming back every week, going back to Mexico, working with Zedillo, working with the team down there, and ultimately came up with the bailout package that the President approved. It saved Mexico and I think it saved the United States.

Library of Congress

Q: Looking at this, your experience in commerce in the White House and with Wall Street, in a way, these all came together on this particular issue. In other words, you understood the problem and the consequences and how things could work out.

JONES: It was fortuitous in many respects. For example, the head of their stock exchange, the Mexican Bolsa, called me and asked for my counsel on what to do because it also had a major effect on the stock market. It was both a mechanical problem how do you handle this much trading in a short period of time and a confidence problem. I had counseled them that they close the market for a while and get their act together and then open it up and let the market go where it was going to.

Q: How did you find President Clinton? I mean, what did President Clinton have to do and what were the problems for him?

JONES: First of all, the initial effort was going to be to get the Congress to pass a law that authorized a certain amount of money to be a buffer, to bailout Mexico and get them back on their feet. That took about two or three weeks and there was a lot of negotiations between Gephardt and Gingrich because the new Republican Congress was elected in '94 and Gingrich was the new speaker. So it was a different ballgame. Ultimately, Gingrich and Gephardt couldn't reach an agreement. In fact, I came back on a Monday night and as soon as I got in, I had a call from Larry Summers because he thought Gingrich and Gephardt would agree at a meeting they were having at 5 o'clock that day - I think I got in about 7 o'clock, or so and then the effort would be to get it through the Congress and how could we pass it? As soon as I got in, Larry Summers was calling me and he said they couldn't reach agreement and were meeting with the President at the 8 o'clock in the morning and the bipartisan leadership of Congress at 9 o'clock. We had to come up with a plan. So that was an all-nighter kind of thing. Ultimately what we did was a \$30-40 billion bailout, which would have the IMF (International Monetary Fund) part of it, various organizations, but it was basically a U.S. bailout. Part of that was to have some sort of assurances. We had to take this out of the, what do they call that fund? It's a

Library of Congress

fund that exists and it's a Presidential discretionary fund mainly to be used to equalize or temper monetary problems in the United States, domestically. It had not been used for foreign purposes, as far as I know. So we were going to go through that fund. I'm sorry, I can't think of the name of it now. And then add to that some of the international financial institutions to give some guarantees and what have you. It also meant that we had to get an agreement from the Mexicans that they would pledge their oil, their exports, which was paid for through the Federal Reserve of New York. So we had to be able to hold those receipts to make sure that this money was going to be paid back, etc. We also charged a premium for the monies. We had interest rates plus a risk premium. We actually made over \$1 billion profit. It was paid back early. In any event, we came up with the package. At 8 o'clock, we met with the President. Vice President Gore was basically the interrogator; he was to shoot holes in the plan. We presented it to the President. The President listened. Gore asked the questions, to shoot holes through it. Others spoke up. Each of us had a little piece to present. The President said that it was the right thing to do, we're gonna do it, which I thought was very courageous of him. The domestic politics of it was not clear. But he knew it was the right thing to do. He caught the substance of it and I think he saw the ultimate politics of it. At 9 o'clock, we met with the joint leadership, the bipartisan leadership. Bob Dole, at that time, was the majority leader of the Senate. He was somewhat scared of Phil Gramm of Texas, so he asked me and a team to get Gramm briefed quickly. He also, he and Gingrich, said that we had to brief the entire Congress. So it was decided that Alan Greenspan, Bob Rubin, and I would go up and brief the entire Congress. We broke up, scheduled these meetings, and the rest of that week was spent briefing Congress.

Q: This was a period of a very partisan game. The so-called Republican revolution, particularly in the House, was such that I would think that almost a sense of reason was the farthest from the peoples hearts. Was the idea to show power?

JONES: Well that was part of the thing. Both Gingrich and Gephardt basically said that they didn't have the votes. They couldn't agree on something to present. On the

Library of Congress

Democratic side, Gephardt was ultimately against NAFTA. Because of organized labor and parts of organized labor, especially, were opposed to NAFTA, Democrats were very reticent of any kind of "bailout" of Mexico. Many of them said, "I told you so that this would never work" etc., etc. Republicans, because many of the 1994 freshmen Republicans were isolationists in essence they were the ones who bragged that they didn't have passports, never did, etc. so I think they decided they didn't have the votes. That's why the President had to do it out of his fund. That's why we had to put it on the President's shoulders, so to speak. There wasn't a whole lot Congress could do about it at that time except complain and moan and hold hearings and things like that. But that's why they wanted us to go up there, all three of us, and really answer the questions and try to defuse it. Even though there was some public complaints, you know, nothing ever happened. It turned out to be one of the most successful foreign economic policy decisions that was made. The United States made money on it. Mexico rebounded. In '82, when Mexico went through a similar thing, it took them about seven and a half years to get back to where they were. In '95, it took them like seven months to get back to where they were. So it was a good thing to do.

Q: Did that give you extra clout in Mexico?

JONES: Oh, yes. Most of what you do, in my judgment, if you're an effective ambassador, or if you're an effective public servant, most of what you do is behind the scenes. Most of it is quiet persuasion and not trying to publicly embarrass or things like that. That's particularly true in Mexico, because there's a sense that bilateral relations. Having said that, I made a lot of public statements in that period of time, and they were honest things, things that Mexico needs to improve on, but it mostly was that the United States recognizes what you're going through. We're gonna be there for you. We're gonna help. We're gonna plug this in Washington, and etc., etc. From the standpoint of Mexico, to this day, people come up to me and thank me for backing them and helping them at their time of need. It was enormously helpful.

Q: Turning now...there was an election in, what was it?

Library of Congress

JONES: '94 and then a congressional in '97. One of the other six objectives after really deepening the commercial relationship was to take the freedom of market and translate that into freedom of democratic institutions. So we were working with the government and, fortunately, Salinas wanted to have a legacy of being a reformer, a progressive, and what have you. I used to describe Salinas as having one foot in the old system and one foot in the new system. While he clearly wanted to preserve the PRI as the dominant party, he wanted also to have what were perceived as fair and open elections.

Q: Sounds a little bit like Gorbachev.

JONES: Yes. So we worked with them a lot on a lot of different things. We got some money for them to have different kinds of educational programs. How to conduct elections and what have you. We provided some money, what were then some very nascent NGOs, because the concept of a Ralph Nader or Common Cause program was just totally alien to them, so we tried to put some resources in to getting NGOs involved. We put money into election observers. We had a lot of education programs on how to conduct elections, etc. But ultimately, it had to be the Mexicans themselves that wanted them. A few other things that we did was, when Jesus Silva Herzog was the Mexican ambassador to the U.S. and I was U.S. ambassador to Mexico, we did a program on reform of democracy and whatever in Mexico. Once I was speaking first and I had made the comment about the enormous strides that Mexico had made. This was after the '94 elections. I had pointed out how we had worked with Mexico to have election observers, which we had to change the name, because election observers were not that politically, they were not viable in Mexico, so we called the visitors or something like that. We worked out a different name for them, but it was the same thing. How we had encouraged them and how they had implemented a system of exit polling on election day. I said that we had these different exit polls in Mexico and within 30 minutes after the election they could call the results of the election. Jesus Silva Herzog got up, he was the next speaker. He said, "That's not so impressive. As a member of the PRI all of these years, we used to be able to call the election six months

Library of Congress

before!" But Mexico did a lot of things like that and we kept the pressure on them. In '94, Zedillo won, but it was less than 50%, which was an unusual situation. The election was indeed called in the first few hours after the polls closed, which was also unusual.

Q: Which is pretty important, wasn't it, because this meant that it didn't allow time for cooking the books later on?

JONES: Well, Salinas was elected in '88. He had defeated Cuatemoc Cardenas, who was with the upstart PRD party, which was a break-off from the PRI, and many people say Cardenas actually won, but mysteriously the electricity went out on the counting machines and what have you and then it came back on and the PRI had won. There was a lot of skepticism about it. So this was the first time that the PRI had won with less than a majority. Zedillo won. One of the other things the ambassador does there, because there had been so much mistrust and distrust about the ruling PRI party stealing elections and what have you, there was Cuatemoc Cardenas running a second time, son of the former President who had expropriated all of the oil industry, etc. There was an immediate push among the PRD to challenge the elections and to disrupt and what have you, and it was either the next day or a few days afterwards, they were going to have a big rally in the Zocolo, which is the big old part of the city, the square. Cardenas was leading this. It could have gone either way. It could have either disrupted and caused the new government to not be legitimate and to be severely weakened or not. It was interesting, because he was leading the march to the Zocolo and I called him on his cell phone and I said to him, "Cuatemoc," because I had become a friend to him, became a friend to all three of the Presidential candidates and really tried to understand where they were coming from, let them understand where we were coming from and why, and they all asked me advice on politics because I had been a politician myself at one point. Anyway, I said, "Cuatemoc, I've won elections and I've lost elections. The main advice I can give you is don't burn your bridges. You're a young man. You still have a future. I can tell you that if you challenge these elections, we did everything possible to make sure those elections were honest and we believe they were honest. There were some discrepancies here or there, but not

Library of Congress

enough to change the outcome, and we certainly will not back you up on that. So I hope that you will not cut off your political future by doing something that does not make sense, that maybe you're emotionally responding to." He thanked me. He went down. He made a good speech. He didn't incite a riot or anything and it broke up and that was it. So I think that an ambassador, if you work your way quietly, you can still have an effect.

Q: By the way, when you're looking at election reforms and all, when you've been going through the last 50 years or so, the tremendous revolution and the role of women and civil rights, how did you see it in Mexico?

JONES: Well Mexico is a macho country like most of the Latin countries. Having said that, there are some women leaders in the PRI. The PRI, I used to say, was less a political party than a combination of interests. One of the ways that it stayed strong so long was that as different interests evolved, they would accommodate it in some way. Some of those interests were the womens interests. So the PRI developed a number of women political leaders into their Congress and into their government. It's an evolving thing. The interesting thing right now is this current President, Fox, everything I've picked up is that he and his close advisors are gearing up to run his wife for President. She's very ambitious and that's going to be an interesting, because that's a major departure from what happened in Mexico's history. She's not exactly an Evita, and Mexico is not Argentina. It will be interesting to see what happens.

Q: How did you find, being ambassador for Washington, you have our bordering states, this is true of course in Canada too, where these relations are so close between the states of Mexico and the states of the United States, did this get in your way or was it helpful?

JONES: It was helpful because I knew most of the governors anyway. Fife Symington was enormously helpful to me.

Q: He was governor...?

Library of Congress

JONES: Governor of Arizona, a Republican. I came to know him and I can tell you one period of time, because I was in Pueblo making a speech at the Universidad de las Americas, and we were trying to prevent the U.S. Congress from declaring Mexico, under the annual certification process, of being uncooperative with the United States in the drug trafficking war and etc. There was a big movement to slap Mexico in the face on that in Congress. I did two things. Number one, I called Fife Symington, ex-governor of Arizona, and I said, "Can you help me with some Republicans?" And he said that John McCain was the one that helped Bob Dole because he's helping him in his Presidential race and you call McCain and I'll call, he had several governors in the Republican Party in the northeast that were friends of his, so he made those calls. I called Johnny McCain, who got Dole in the saddle. In that case, a border governor was helpful. A case when Bush was governor, I took...

Q: The present President?

JONES: The present President. I took, for example, Fox, who was governor of Guanajuato...in this whole goal of democracy I wanted to identify up and coming political leaders of the opposition parties that might challenge the system and Fox was clearly one of those. I took him to Texas. Bush was very helpful to me. I called Bush a couple of times on issues where we needed some help from the Texas delegation. He was very helpful. Pete Wilson had his own game he had to play, but I knew Pete, and his wife and my wife were in school together at Stanford, so those kinds of relationships actually helped.

Q: Pete Wilson was from New Mexico?

JONES: California.Q: California, oh, yes.

JONES: So, no, the border relationships were actually helpful. I used to describe in Washington that I was ambassador from or to three countries. The United States in

Library of Congress

Washington, Mexico in Mexico City, and the border, which was the third country, and it viewed things differently than either Washington or Mexico City.

Q: You mentioned the Zapatista revolt and there have been sort of Indian type revolts which have gone on. Chiapas, I think, is that sort of the same thing?

JONES: That's the one that I'm talking about.

Q: Oh yes, is it? How did we view this? It gets very popular in the...

JONES: There's no single explanation to it. I spent several days down there and we helicoptered all around and I tried to get a feel for it later. Chiapas is the state that borders Guatemala. If the lines were to be redrawn, what makes a natural national borderline, Chiapas would be Guatemala, it wouldn't be Mexico. So that's the first thing. In Chiapas, you have a whole large indigenous population that doesn't even speak Spanish. It's different in many ways. You also have a system of not warlords, but similar to warlords, very powerful individual landowners who have kept the indigenous down for a long period of time. You have a different educational system. I happen to be Catholic. I went to a Catholic church there, I didn't recognize it. They were twisting chickens heads off in church. Between the blood and fear, they were drinking Coca Cola real fast and then belching. This was expelling the evil spirit. It was a really a form of paganism and yet it was a Roman Catholic church. So Chiapas is a different territory with different problems and very poor and it's been ignored. On January 1, 1994, we had visitors from Washington, friends of ours whose kids were friends with one of our children, and they had come down to spend New Year's with us. We were having breakfast or dinner or whatever and I get a call that there's an uprising in Chiapas. So I sent a team of three, four, or five from the embassy to Chiapas to look after the U.S. citizens who were there and to help evacuate them depending on the circumstances and to report back. So you had a consular officer, you had an intelligence officer, and a couple of military officers and a political officer. The first night, he reports back to me that they talked to one of the commanders in

Library of Congress

the military and he said that they were going to secure the situation and then go "Indian hunting." Immediately, I thought this could be a major disaster, because this is the day NAFTA goes into effect. The next day, I called the chief of staff of President Salina, who was a very smart fellow. I said, "This is the report our people give to me. You can't do this." What amazed me is how that's the way it has always been handled in the past. You crush them, you wipe them out, and you go on the next issue. This liberal, or progressive, government went right back to the old ways of doing things and this bright guy, so I then go to another cabinet officer, the same thing, another cabinet officer the same thing, and so I go back to the chief of staff and I said that I had to see the President. The President was busy but I was taking some investment types from the United States in to see the President that day so at the end of the meeting as we were ushering them out, I said, "Mr. President, I need to visit with you for a few minutes." So we went back in, the two of us, and I told him what had been reported to me. I could tell he was very much, that was his attitude also. It was very much a macho attitude. I said, "Mr. President, let me tell you, I have had a lot of experience, unfortunately in this, with the White House and Vietnam." I said, "Our military, in Vietnam, is far superior to your military today and we couldn't fight that war. It's a similar kind of war that you'll have in Chiapas. Second, we didn't have CNN in the 1960s..."

Q: CNN being...?

JONES: The television.

Q: Cable News Network, all over the world.

JONES: And I said, "I could tell you, and this would happen, that if you take this military action in Chiapas and crush the indigenous Indians, the United States Congress will pass a resolution condemning you, the government of Mexico. Our government will probably have to condemn you. If I were you, I wouldn't worry about. But let me tell you about my experience on Wall Street. Here's what the investors will do to you. They will drop you like

Library of Congress

a hot potato. If you have any desire to be a first rate country, you won't have a chance, because about 24 hours of a CNN war and investors will drop you so fast, you won't even know where your head is." I could tell that worked. I left. I had one other meeting with the foreign minister, who had been the former mayor of Mexico City and one who had not been chosen to be the President - Colosio had beaten him out a guy named Manuel Camacho. I went over to his place. He was very paranoid, so we always met at a friend of his place. He was always telling me that everybody's listening to it anyway and probably were. So I went to him. This was about three hours or so, after, because I knew they had a cabinet meeting that night, and I said, "Manuel, here's the situation. This is what I've done." He said, "I totally agree with you. You must have had some impact because the President called me and said you were in and asked me what I thought about that." In any event, they didn't take the military action. They did put it into a context of a peace resolution. It has been contained and it's sort of off the front pages now.

Q: Well, we've covered quite a bit of this. Is there anything else we should discuss you think?

JONES: No, I think those are the main things. A lot of things happened, but those were some of the main things.

Q: I find it very interesting to see how your background, because so often nobody is sitting back in Washington and making these appointments and saying, "Yes, well, we need somebody with this" and what have you.

JONES: Well, this was really Peter Tarnoff's idea. I must say, it turned out well. One of the proud things I had was I came to really respect the career foreign service and I came to loathe the State Department as an employer. I felt that they were one of the worst employers I'd ever run across in terms of really looking after their people. I guess one of the proudest things I had was every four years or so there was this comprehensive IG review and our folks were all concerned about that and I said, "Look, just let it fall where

Library of Congress

it may and don't try to hide anything. Visit with them and make them feel at home, etc.” It turned out, the report I was told by somebody in the State Department was glowing, the embassy and the team and the spirit and all of that, which made me feel good.

Q: You were looking at the State Department at, I think, one of the worst times. The Clinton administration and Christopher and Albright did not pay much attention to the housekeeping details. Budgets were down and it was a bad time. Within the professional foreign service, Colin Powell has made quite a change because he's got so much clout. I mean there are real problems, policy-wise, but...

JONES: I think more than that, it's his attitude. I don't he has gotten a whole lot more, but I think his attitude shows real respect for the career service, which, it was not disrespect by others, it was just that they were ignored.

Q: It was, I hate to say it, but often you had either a lawyers attitude often as a secretary of state, or an academic. Neither of these really has much respect for staff down below. They are focused. A military commander knows that you have to train your troops, you have to keep them well-fed and the whole thing.

JONES: To me, this is sort of elementary. It goes back to my days in politics where the only way I could be elected in that hugely Republican district was to really do your homework, pay attention to people, really try to be attuned to needs and respond to those. But that's fundamental, when you're running a business, you're running an embassy, you're running a political campaign, whatever you're doing, it's fundamental, I think.

Q: Well, you left Mexico when?

JONES: I left July 1, 1997. The Clinton administration had graciously asked me to serve another four years. I told them that if I were 10 years younger or 10 years older, I would have done it in a heartbeat, but I felt that, at that point I was 57, going on 58, and I felt that if I was going to try to run a company or something like that, I had to do it then because

Library of Congress

a lot of people think that when you're 60 you're over the hill, at least in business. So I decided that I was going to see what was out there. That's when Linda Wachner called me and made this fabulous offer for me to be President of their international operations of Warnaco, which is a fashion, they make women's undergarments of all different fashion designs and they make Calvin Klein men's and women's, Ralph Lauren, Chaps, men's clothing etc. I had always wanted to manage something that produced a physical product. The fashion industry was nothing I had any knowledge about. So anyway, I came back and did that actually for a year. I said I'm gonna give it a year. Linda and I are still friends, but she is a very difficult person. I happen to see a different side of her than most people. My wife did, also. It was a terrible atmosphere. People were afraid of everything. There was no joy, no laughter, and it was just not the place that I had wanted to be. I left. I don't know if I told you that story. She kept piling the options on me. Did I tell you that story?

Q: No.

JONES: She knew that I wasn't happy and my office was right next to her office there in New York. I was trying to charge ahead as I always had on everything, but she had to make final decisions and the decisions were piling up and I just was not pleased. She kept piling options on me. Then she was going to buy an airplane for me, for my exclusive use, a Falcon 100, if I travel. She had a G4, a G3, and she wanted me to have my plane. I knew that at that point that if I did that, I couldn't get out. At the time, I had, I forget how many thousands of options, but they were worth about, if I had cashed them in at that point, they'd be worth about five or six million dollars. I needed about seven or eight more months before they were matured to where you can exercise your options. The strike price, which is what I could have bought them at, it was \$30. The price of the stock at that point was \$45 and that's the difference between being worth about four or five million dollars. I just decided that I was terribly unhappy and so I told my wife, I said, "I'm going to tell Linda that this is not working and I'm gonna leave." I said, "I'll have a heart attack or stroke or something. This is just so unpleasant." I told Linda, I said, "Linda, I want to be friends, but what you want is really an administrative assistant and I've done that. I don't

Library of Congress

want to do that. I wanted to run the company and you don't want that and I understand that, so let's part as friends." That meant I had to give up all those options. Within a month after I left, not because of me, but just the circumstances that I saw coming, the stock price fell below \$30 and never hit there again. The company went into bankruptcy. It's coming out of bankruptcy now. I told that story to the kids. I said, "Don't let money be your goal. Let fun and accomplishment be your goals. Because that's the best story I can, just my instincts said if you're not happy, do something else, no matter what the money is." My annual income was about two million dollars a year, so you give up a lot.

Q: Well, then, I guess maybe this is probably a good place to stop.

JONES: All right, great.

End of interview